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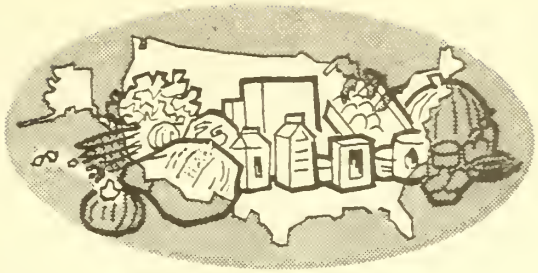
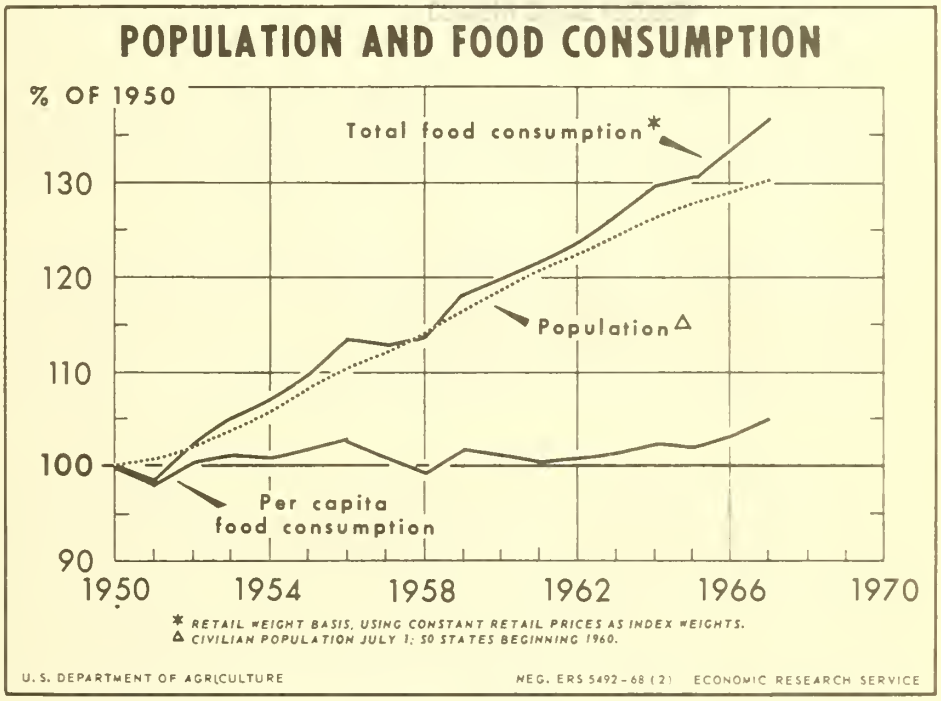
NATIONAL FOOD SITUATION



NFS-123 FEBRUARY 1968

Total food consumption increased 37 percent between 1950 and 1967. The increase in the civilian population was nearly as great. But, the rate of population growth has slackened considerably since the early 1960s. Per capita consumption increased only 5 percent since 1950, with more than half of this overall increase during 1966 and 1967.



IN THIS ISSUE

Food Manufacturing
Comparative Living Costs
Population and Food Consumption

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Table 1.—Volume of farm marketings and home consumption 1/
(1957-59=100)

Item	1947-49 average	1960	1961	1962	1963	1964	1965	1966	1967 indications 2/	1967 as a percentage of 1947-49	1967 as a percentage of 1966
										Percent	Percent
Marketings and home consumption of all farm commodities	86	107	108	109	114	116	116	118	121	141	103
Food marketings and home consumption	87	104	107	107	111	113	115	117	121	139	103
Food marketings	82	105	109	109	113	116	118	120	124	151	103
Total food livestock 3/	79	104	108	110	114	118	118	121	124	157	102
Meat animals	81	105	108	110	116	121	121	124	127	157	102
Poultry and eggs	66	105	113	113	116	121	126	134	141	214	105
Dairy products	84	102	106	107	107	110	108	105	105	125	100
Total food crops 4/	98	108	110	107	110	110	116	118	127	130	108
Food grains 5/	102	117	114	102	111	109	120	122	140	137	115
Vegetables 6/	91	104	109	110	110	107	108	112	114	125	102
Fruit and nuts 7/	92	99	103	107	101	106	112	114	115	125	101
Sugar crops	78	105	115	117	152	155	144	140	138	177	99
Home consumption	161	87	81	75	73	66	60	55	51	32	93
Livestock	159	82	75	73	69	63	56	52	49	31	94
Crops	168	98	94	80	83	73	70	62	58	35	94
Nonfood marketings 8/	82	114	110	116	125	125	120	121	122	149	101

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years Excludes Alaska and Hawaii. 2/ Indications for 1967 are based on calendar-year quantities estimated as of January 1, 1968. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn, and spearmint. 5/ Wheat, rye, rice, and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans, and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 2.—Food consumption per capita 1/
(1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits 2/ Fresh	Fruits 2/ Processed	Fruits 2/ Total	Vegetables 3/ Fresh	Vegetables 3/ Processed	Vegetables 3/ Total	Potatoes and sweetpotatoes	Cereal products	Sugar and sweeteners	Coffee, tea and cocoa	All food Animal products	All food Crops 4/	All food Total
1910	96	49	107	82	70	101	148	14	80	114	24	85	208	149	54	65	87.2	87.0	86.9
1920	90	45	113	81	80	91	154	31	92	119	30	90	163	129	63	79	85.4	87.7	86.2
1930	85	52	97	89	83	113	145	35	89	126	47	100	138	131	85	81	86.3	95.7	89.9
1940	93	52	102	86	87	115	153	57	105	130	57	107	127	120	86	101	91.0	100.7	94.8
1941	94	56	108	84	90	116	161	53	107	129	61	107	134	121	94	104	92.3	103.6	96.7
1942	93	63	84	84	96	112	137	52	94	134	67	112	136	122	83	86	93.5	99.2	95.6
1943	98	78	75	92	96	97	122	45	84	139	61	114	137	135	77	81	96.2	98.7	97.0
1944	103	70	84	94	98	96	146	45	95	147	61	119	145	124	84	96	98.4	103.0	100.1
1945	97	76	94	107	104	91	144	57	101	150	74	126	129	130	69	100	99.4	104.0	101.0
1946	102	70	101	101	110	91	144	78	111	139	83	121	128	128	74	122	101.6	106.6	103.5
1947	102	64	96	104	104	97	149	67	108	127	76	111	126	115	94	108	100.0	103.8	101.4
1948	95	63	101	106	100	95	138	69	104	125	72	108	105	114	89	112	96.0	101.7	98.1
1949	95	67	102	105	99	98	135	73	104	118	75	104	109	113	91	115	96.1	101.5	98.1
1950	95	73	111	108	99	104	120	79	100	114	81	104	105	112	101	103	97.6	102.5	99.4
1951	90	77	106	109	99	94	125	78	102	111	84	103	105	115	94	105	95.8	100.8	97.6
1952	95	80	105	109	100	97	120	88	104	108	88	103	95	113	98	105	98.1	102.1	99.5
1953	102	79	103	106	99	98	113	90	102	106	91	102	100	110	97	107	100.0	101.6	100.5
1954	101	84	104	105	100	102	108	91	101	104	90	100	100	108	99	95	100.2	100.9	100.4
1955	106	79	97	104	101	103	102	98	100	104	96	102	101	102	100	96	101.7	100.4	101.1
1956	108	88	98	103	102	101	103	100	102	103	98	102	97	101	101	101	103.6	100.6	102.3
1957	102	94	97	102	101	99	101	103	102	102	98	101	98	99	98	100	100.6	99.6	100.2
1958	97	101	98	99	100	100	98	97	97	99	101	100	97	101	101	98	98.5	99.4	98.9
1959	101	105	105	99	100	101	101	100	101	98	101	99	105	100	101	102	100.9	101.0	101.0
1960 5/	102	102	98	94	99	99	97	102	99	100	103	101	109	100	102	101	99.6	101.5	100.5
1961	101	112	102	92	97	99	93	99	96	98	104	99	111	99	102	102	99.7	100.7	100.1
1962	102	110	101	92	98	100	89	103	95	95	109	99	113	98	103	103	100.1	100.8	100.4
1963	105	112	102	89	98	101	80	94	87	94	109	99	118	97	103	106	101.3	100.2	100.8
1964	108	114	99	89	98	103	85	91	88	93	111	98	121	98	103	103	102.8	100.7	101.8
1965	104	122	103	88	98	102	87	96	92	93	116	99	127	98	103	100	100.9	102.0	101.4
1966	106	131	100	88	98	102	87	97	92	93	119	101	139	96	104	101	102.2	103.1	102.6
1967 6/	110	137	100	91	97	101	87	106	96	94	123	103	136	97	104	100	104.6	104.2	104.4

1/ Civilian consumption, beginning 1941. Individual food items are combined in terms of 1947-49 retail prices through 1954, 1957-59 retail prices thereafter; indexes are linked at 1955. 2/ Excluding melons and baby food. 3/ Excluding soups, baby food, dry beans and peas, potatoes, and sweetpotatoes. 4/ Including melons, dry beans and peas, nuts, soups, and baby food in addition to groups shown separately. 5/ 50-State basis beginning 1960. 6/ Preliminary.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, February 8, 1968

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SUMMARY*

Most signs point to continued gains in consumer income in 1968. Consumer purchases of goods and services may rise somewhat faster than income, in contrast to 1967. Food expenditures this year likely will advance as much or a little more than in 1967. Retail food prices probably will advance 2 to 3 percent this year if per capita food consumption does not exceed last year's level, economic activity continues strong, and other consumer price gains are moderate.

Total food expenditures in 1967 expanded 4 percent. With prices up only slightly, most of the gain was due to greater volume. The increase in food spending did not match the income gain. Consequently, the percentage of income spent for food dropped to a new low point. Sales by retail food stores in 1967 increased only 1 percent over 1966, with prices remaining about steady. Sales by eating and drinking places advanced 6 percent, due mainly to higher prices.

Retail food prices in 1967 averaged 1 percent above a year earlier, due entirely to 5-percent higher restaurant food prices. Prices in food stores were lower for pork, poultry, eggs, processed citrus, and coffee. Prices were higher for dairy, fishery, and cereal and bakery products and for noncitrus fruits. Food prices moderated the 3-percent rise in the overall Consumer Price Index.

Retail food prices advanced a half of 1 percent in December, following lower prices for 3 previous months. Prices rose in wholesale markets in December and again in January 1968, but continued below year-earlier levels. Some price increases likely will continue into next summer. Higher prices are likely for most fruit products and for fresh vegetables, but prices for canned vegetables may decline. Potato prices likely will continue relatively low into the summer. Later this year, some price increases are likely for turkey, eggs, and beef. Little price change now appears likely for dairy products and pork.

* The summary of this report and a summary table were released to the press on February 8.

With abundant supplies and rising income, the Food Consumption Index increased nearly 2 percent in 1967. Both crop and animal products were up. Consumption of meat rose to a new record level, due principally to a spurt in pork consumption. Beef consumption also gained, but veal and lamb declined. Consumption of all poultry products increased; turkey rose significantly last year. Even egg consumption turned up. But, consumption declined for most dairy products other than cheese. Among crop products, per capita consumption increased for potatoes, citrus fruits, and vegetables, but little change occurred for wheat flour, coffee and sugar. Consumption of apples and noncitrus fruits declined in 1967.

Little overall change in per capita consumption is likely in 1968. Pork consumption may increase slightly. Per capita consumption is expected to be moderately lower for veal, lamb, and turkey, and slightly lower for beef, eggs, and dairy products. Lower consumption is in prospect for most fruit products during the first half year, and a significant decline is likely for citrus. But consumption of processed vegetables may rise.

The value of shipments by the food and beverage industries rose only 2 percent in 1967. All of the increase represented volume gains, since wholesale prices were slightly lower. Shipments by these industries advanced sharply in October and November, dropping the inventory-shipments ratio to a new low level. The value of shipments this year likely will be up more than in 1967, due partly to price gains.

Output of farm food commodities increased to a new high level in 1967, with increases for most crop and livestock commodities. Imports of food increased slightly, but exports declined. The drop in exports partly offset larger domestic food use. Consequently, total annual utilization in 1967 increased only slightly more than population. Stocks of food commodities carried over into 1968 were nearly a tenth larger than a year earlier.

DEMAND FOR FOOD

Consumer income expanded by 7 percent during 1967, but consumption expenditures were not up as much; the volume of savings out of income jumped nearly a third. The savings rate, at 7.5 percent in the fourth quarter, was at the highest level of the decade. Hesitance to spend also was reflected in relatively small increases in consumer credit.

Economic activity quickened during final months of 1967. Industrial production and employment advanced to a new high level and the employment rate dropped, although inventories mounted. Larger employment and rising wage rates will add to income gains in 1968.

Food Expenditures Up in 1967

Food expenditures in 1967 totaled $96\frac{1}{2}$ billion, not counting spending for alcoholic beverages and nonconsumer (business) spending for food. Food expenditures likely will exceed $100 billion this year. Consumer food expenditures in 1967 rose by 4 percent, only half the rate of a year earlier. Last year's expenditure gain was mostly due to volume gains with little price increase. However, a relatively large part of the increase in food expenditures expected this year likely will be due to rising prices with a small volume gain only about matching population growth.

The percentage of disposable income spent for food in 1967 dropped to a new low of 17.7 percent, down from 18.3 percent in 1966 (fig. 1). About a fifth of total consumer food expenditures was spent for food away from home in 1967. Consumer income and food expenditures are expected to advance at approximately the same rate in 1968. Consequently, little change is likely this year in the percentage of income spent for food.

Civilian expenditures for foods originating on U.S. farms totaled around $85\frac{1}{2}$ billion in 1967, an increase of 3 percent from a year earlier. About $27\frac{1}{2}$ billion of this amount represented returns to farmers and $58 billion went to pay for marketing services (which include all value added to raw farm food products after they are sold by farmers, including away-from-home eating). As a result of lower prices, the farm value declined about a half billion dollars, or 2 percent, from 1966. However, the total marketing bill was 5 percent larger than in 1966, due partly to the gain in volume of food marketings (table 1). Both the marketing bill and the farm value dropped fractionally relative to disposable income.

Sales by Retail Stores

Sales by food stores increased only 1 percent over 1966 to total $72.1 billion (fig. 2). However, with retail prices for food (food at home) steady, the increase represented a small volume gain. Sales by eating and drinking places in 1967 totaled $24.9 billion, up 6 percent from a year earlier, due mostly to higher prices for food away from home.

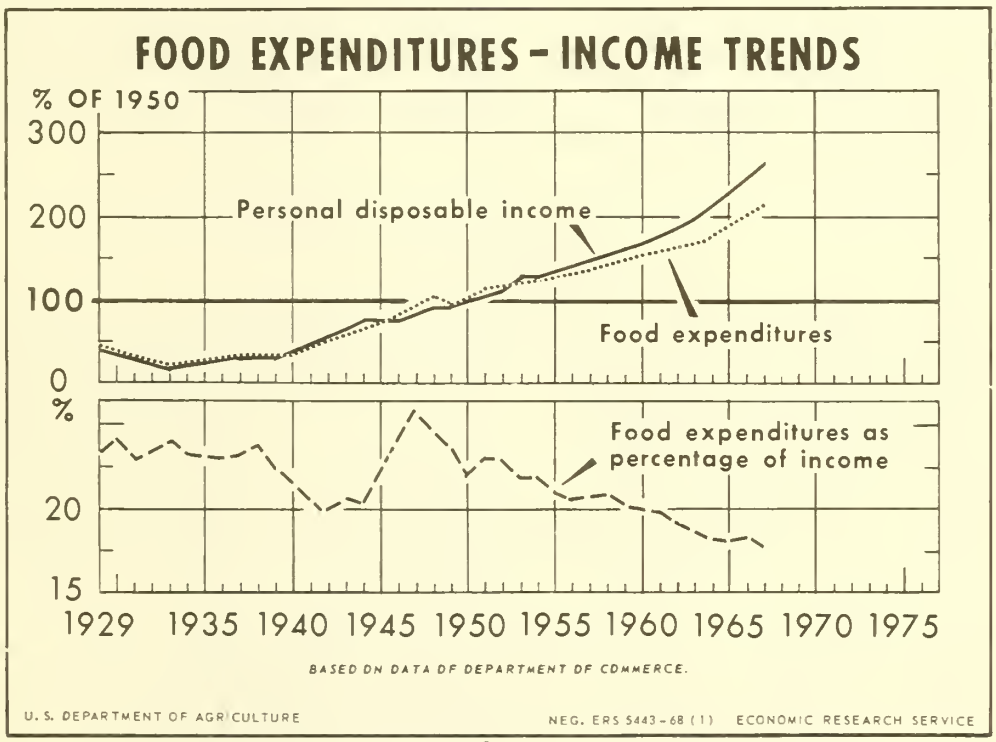

Figure 1

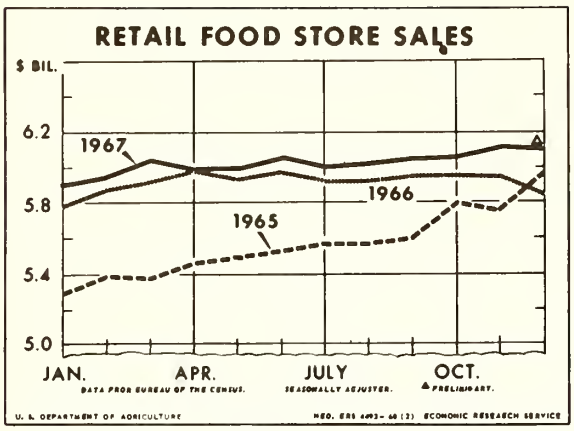

Figure 2

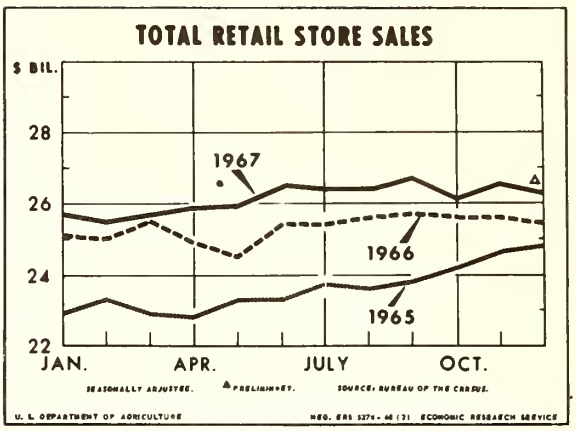

Figure 3

Sales of all retail stores increased 3 percent in 1967 (fig. 3). With consumer prices for all commodities up around 2 percent, the sales gain represents a small volume gain. Sales of durable goods advanced more slowly than sales of nondurable goods (a third of which was food). Department store sales were significantly higher in 1967 than a year earlier, but sales by the automotive group were steady.

Sales by grocery stores are expected to accelerate this year following the small increase in 1967. With prices increasing, sales by food stores could reach $75 or $76 billion. Sales by eating and drinking places probably will total $26 or $27 billion in 1968, paced by another significant rise in prices for food away from home.

RETAIL FOOD PRICES

Retail food prices in fourth-quarter 1967 averaged fractionally lower than in the third quarter (fig. 4 and table 3). However, in December, prices rose a half of 1 percent over November (table 13, p. 28). Fresh vegetable prices rose, as they usually do at this time of year. December prices also rose from November for processed fruits and eggs.

1967 Prices Up 1 Percent

Fourth-quarter 1967 food prices averaged a half of 1 percent above a year earlier, although prices for the year as a whole averaged 1-percent higher (fig. 5). Prices for food at home averaged about steady for the year, but prices for food away from home--which accounts for a fifth of total food--averaged 5 percent above 1966. The Consumer Price Index for all items--up 3 percent from 1966--rose much more than for food due partly to a $4\frac{1}{2}$-percent increase for all services. Durable goods prices rose $1\frac{1}{2}$ percent and nondurable goods other than food advanced 3 percent.

The retail price advance in December reflected broad increases in prices at wholesale. Prices received by farmers for food products, that previously had dropped from a peak in July, recovered nearly 2 percent from November to December. Similarly,

Table 3 .--Consumer, wholesale, and farm price indexes (1957-59=100), 1965-67

Item	1966					1967					Percent change, 1966-67
	I	II	III	IV	Year	I	II	III	IV	Year	
Retail Prices: 1/											
All goods and services (CPI)	111.5	112.7	113.7	114.6	113.1	114.8	115.6	116.8	117.8	116.3	2.8
All items less food	111.3	112.5	113.5	114.7	113.0	115.1	116.2	117.2	118.6	116.8	3.4
All food	112.8	113.8	115.2	115.1	114.2	114.4	114.2	116.2	115.8	115.2	0.9
Food at home	111.4	112.3	113.7	113.1	112.6	111.8	111.3	113.4	112.6	112.3	-.3
Food away from home	120.8	122.2	124.0	125.7	123.2	127.4	128.7	130.3	131.9	129.6	5.2
Wholesale Prices: 1/											
All commodities	105.1	105.6	106.7	106.0	105.9	106.0	105.8	106.3	106.4	106.1	0.2
Commodities other than farm and food 2/	103.8	104.6	105.2	105.4	104.7	105.9	106.0	106.3	107.1	106.3	1.5
Farm products	106.2	105.0	108.2	102.9	105.6	101.1	100.2	100.1	97.5	99.7	-5.6
Processed food	111.2	110.6	113.1	111.2	111.5	109.8	109.7	111.6	110.1	110.3	-1.1
All food 3/	110.2	109.4	112.4	110.6	110.7	108.4	108.2	109.6	108.2	108.6	-1.9
Prices Received by Farmers: 4/											
Crops	104	107	107	103	105	100	100	99	102	100	-4.8
Livestock and products	116	111	114	111	113	107	106	110	105	107	-5.3
Total	111	109	112	108	110	104	103	105	104	104	-5.5
Market Basket of U.S. Farm Foods: 5/											
Retail cost	110.5	110.9	112.6	111.6	111.4	109.6	108.8	111.2	110.3	110.0	-1.3
Farm-retail spread	106.2	109.4	109.7	112.8	109.5	111.4	111.2	112.1	114.0	112.2	2.5
Farm value	117.0	113.2	117.2	109.7	114.3	106.7	105.2	109.9	104.6	106.6	-6.7

1/ Department of Labor, Bureau of Labor Statistics.
2/ Recently this series has been renamed "Industrial commodities."
3/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.
4/ Department of Agriculture, Statistical Reporting Service.
5/ Department of Agriculture, Economic Research Service, Marketing Economics Division.

wholesale prices for food and farm products advanced in December (table 12, p. 27). Further increases in prices received by farmers and wholesale prices occurred in January.

1968 Prices to Rise

Food prices are expected to continue above year-earlier levels in the next few months. Higher prices are likely for most fruit products. Wholesale prices for canned fruits advanced considerably during the final quarter of 1967, and most of these increases will be reflected at the retail level in coming months. Higher citrus prices reflect the smaller crop currently being harvested. Higher prices also are likely this winter for fresh vegetables, but little change in prices for canned vegetables is likely due to large supplies. Potato prices should continue relatively low until summer.

Relatively stable retail prices are likely for most livestock food products in coming months, but prices may advance

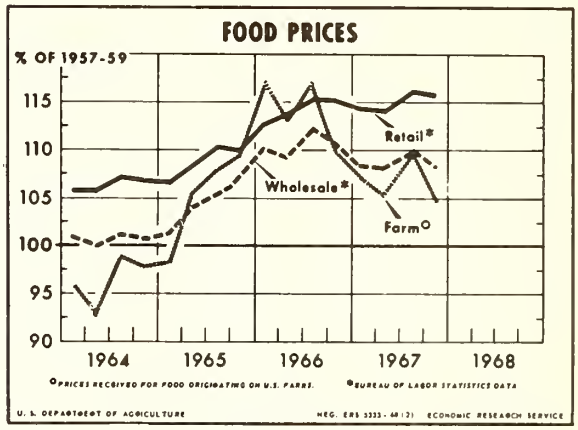

Figure 4

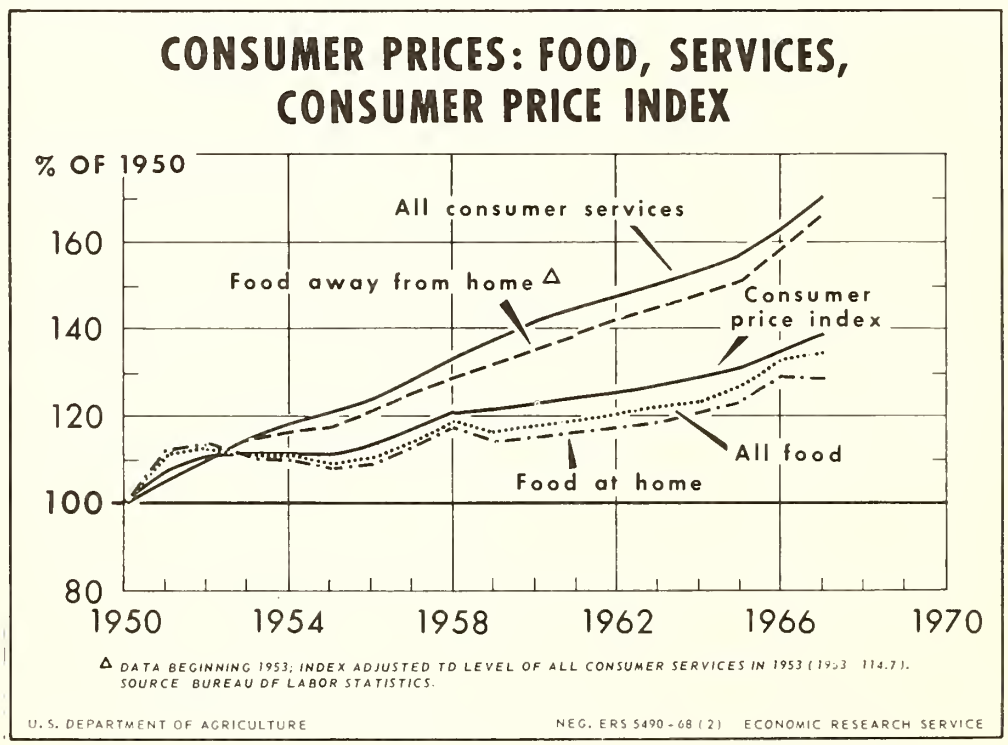

Figure 5

later in the year. Prices for beef, lamb, and fishery products probably will continue moderately above 1967. Prices for turkey, eggs, and chicken likely will rise from depressed levels of fourth-quarter 1967 and for the year may average higher than in 1967. Little change is likely in prices for pork and dairy products.

Prices received by farmers for food products are expected to rise in 1968 if output gains only about match the rate of population growth. Continued increases in costs of processing and marketing, coupled with generally rising demand for food products, likely will result in some widening of margins to offset cost advances not covered by increases in productivity. Some increase in profit ratios of food processing, wholesaling, and retailing firms also is likely, following the reduced levels of 1967.

Retail food prices in 1968 likely will average some 2 to 3 percent over 1967, with grocery store prices at the low end of the range. Prices for nonfood consumer items may rise somewhat more. Prices for food away from home likely will continue to advance around the 5-percent annual rate experienced during the past 2 years. Food prices probably will follow a fairly typical seasonal pattern, with relatively strong prices in the first and third quarters of the year.

CPI Pricing Sample Changed

The Bureau of Labor Statistics made some adjustments in the food outlet sample of the Consumer Price Index in the spring and summer months of 1967.1/ The changes were made as a result of changes in structure of the food retailing business. In January 1964, the Consumer Price Index was revised based partly on food outlet data from the 1958 Census of Retail Trade.2/ The 1967 revision was based on changes in food retailing that were reported by the 1963 Census of Retail Trade and certain data collected by BLS for 1965.

During the 1958-63 period, the relative importance of chain organizations (4 or more stores) increased whereas the importance of independent grocery and "specialty" stores declined. The importance of small independent grocery stores and meat and produce markets decreased considerably in importance. Suburban grocery stores grew in importance. Each of these stratifications are weighted separately by city (56 cities) in determining retail food prices.

The sample adjustment in 1967 was minimized. Outlets previously priced were retained if usable in the adjusted sample. Most of the adjustment was accomplished by revising internal weights. The total number of stores in the sample was reduced from 1,533 to 1,488 with proportionately largest declines for meat and produce markets. Grocery stores with less than $50,000 annual sales were excluded from the sample. The new sample contains more stores in suburban areas, more discount operations, and more food divisions of department stores.

1/ Miller, Helen M., "Revision of the CPI Food Outlet Sample," Monthly Labor Review, U.S. Department of Labor, Vol. 91, No. 1 (January 1968), pp. 54-59.

2/ Hiemstra, Stephen J., "Consumer Price Index Revision," National Food Situation, NFS-108 (May 1964), pp. 18-24.

FOOD SUPPLY AND CONSUMPTION

Overall Supply and Use

Relatively little overall change in supplies of farm commodities appears likely this year. With a renewed rise in exports in the offing for calendar year 1968 and the volume of civilian food use expanding about in line with the population, total annual utilization likely will expand about proportionately with output.

Output of farm food (including feed) commodities surged to a new record high in 1967, up 8 percent from a year earlier (table 4). The increase was twice as great for crop products as for livestock products, although production of both groups set new records. Most major food commodities showed increases, but milk was only about steady.

Overall imports of farm food commodities increased slightly in 1967. Imports of crop products averaged about the same as a year earlier, but livestock products averaged higher, mainly due to higher imports of beef. However, exports average lower in calendar year 1967 due mainly to a falloff in volume of exports of crop products. Exports of wheat and feed grains dropped but exports of soybeans were larger.

Total food use rose more than usual in 1967, in response to the unusually large increase in supplies and reduced farm prices. The decline in volume of exports tended to offset the rather large increase in consumption of food commodities; total annual net utilization expanded only slightly more than the rise in population. The increase in utilization was not sufficient to absorb the large increase in new supplies. Consequently, stocks of food commodities carried over into 1968 were significantly larger than a year earlier, and somewhat exceeded the level of 2 years eearlier. Most of the inventory increase was for crop commodities but USDA holdings of dairy products were substantially larger at yearend.

Food Consumption Up in 1967

Per capita food consumption advanced significantly in 1967, following a sizable upturn in 1966 (table 2). These increases indicate an increase in total consumption of food, despite a slowdown in rate of civilian population growth (cover chart). The slowdown in rate of population increase in recent years may have contributed to the rise in per capita consumption because it takes time for the market to adjust to changing prices and demands.

Crop and animal products both contributed to the strong advance in the Food Consumption Index in 1967. Both of these groups have increased about the same amount over the past decade. This year, neither of them is expected to depart significantly from the 1967 average.

Central military food procurement totaled a little over $1 billion in 1967, about the same amount as in the 2 previous years (table 5). Military food procurement on a per capita basis was roughly a half larger than U.S. average consumption by civilians. The military accounted for about 2.2 percent of the total food used in the United States in 1967. This percentage was larger for beef and other livestock products, but lower for foods from crops.

Livestock Product Consumption to Stabilize

Per capita consumption of total livestock products in 1967 exceeded a year earlier by 2 percent. The most significant increase occurred during the first quarter of the year, when consumption typically is relatively low (fig. 6 and table 6). Most of this seasonal pattern was due to substantially larger consumption of meat in the first half of 1967 and a relatively small increase later in the year for both meat and poultry.

Table 4.--Farm food commodities: Supply-utilization indexes by component and relationship of components to total net utilization, 1947-67 1/

Year	Supply			Total annual net utilization	Utilization				
					Domestic use				Exports and shipments 7/
					Food		Net nonfood 6/	Total	
	Net production 2/	Net imports 3/	Stocks 4/		Civilian	Military 5/			
	A.--Index, 1957-59=100								
1947	81.9	78.7	64.2	86.1	85.5	181.3	113.8	88.2	65.1
1948	86.4	82.8	59.3	82.9	83.2	211.2	114.9	86.6	44.6
1949	81.8	86.1	72.3	83.6	84.2	211.2	97.8	86.9	49.8
1950	82.6	88.3	75.0	84.5	86.4	110.3	113.5	87.7	51.0
1951	81.5	88.8	78.0	87.6	85.9	218.7	108.2	89.0	73.0
1952	86.9	87.0	71.6	87.9	88.7	163.4	94.5	90.2	64.0
1953	88.7	93.0	75.4	89.4	91.2	151.9	99.1	92.5	57.2
1954	91.0	84.0	81.2	90.4	92.4	127.6	93.9	93.1	62.5
1955	94.9	88.5	87.0	95.1	96.3	110.8	103.4	96.8	77.9
1956	98.6	92.7	91.4	99.9	99.3	112.4	105.2	99.8	100.8
1957	98.2	93.1	93.7	99.3	98.9	101.8	99.7	98.9	103.1
1958	101.3	96.6	96.7	98.2	98.8	99.8	98.1	98.8	92.1
1959	100.5	110.3	109.6	102.5	102.3	98.4	102.2	102.3	104.8
1960	104.8	98.4	114.6	103.8	103.2	92.4	90.1	102.5	116.5
1961	103.9	104.1	122.5	106.7	105.3	101.6	91.0	104.8	126.3
1962	104.2	111.0	123.5	108.4	106.7	105.6	103.4	106.5	138.6
1963	109.4	113.5	120.7	113.6	109.8	102.2	104.5	109.5	156.2
1964	110.9	102.6	119.6	118.0	112.1	113.3	104.4	111.8	181.4
1965	116.1	101.4	108.9	117.4	112.1	127.6	108.4	112.3	170.3
1966	114.4	109.7	110.2	120.4	114.0	136.2	110.2	114.3	183.4
1967 8/	123.7	110.8	103.0	121.8	117.6	142.0	110.9	117.8	163.4
	B.--Percentage of total annual net utilization								
1947	87.1	10.4	2.5	100.0	85.7	3.4	4.2	93.3	6.7
1948	95.4	11.4	-6.8	100.0	86.7	4.1	4.4	95.2	4.8
1949	89.6	11.8	-1.4	100.0	86.9	4.0	3.8	94.7	5.3
1950	89.5	12.0	-1.5	100.0	88.2	2.1	4.3	94.6	5.4
1951	85.2	11.6	3.2	100.0	84.6	4.0	4.0	92.6	7.4
1952	90.6	11.3	-1.9	100.0	87.1	3.0	3.5	93.6	6.4
1953	90.9	11.9	-2.8	100.0	88.0	2.7	3.6	94.3	5.7
1954	92.2	10.6	-2.8	100.0	88.3	2.3	3.3	93.9	6.1
1955	91.4	10.6	-2.0	100.0	87.4	1.9	3.5	92.8	7.2
1956	90.4	10.6	-1.0	100.0	85.9	1.8	3.4	91.1	8.9
1957	90.6	10.7	-1.3	100.0	85.9	1.7	3.2	90.8	9.2
1958	94.4	11.3	-5.7	100.0	86.9	1.6	3.2	91.7	8.3
1959	89.8	12.3	-2.1	100.0	86.2	1.6	3.2	91.0	9.0
1960	92.5	10.8	-3.3	100.0	85.9	1.4	2.8	90.1	9.9
1961	89.2	11.2	-.4	100.0	85.2	1.5	2.8	89.5	10.5
1962	87.3	11.6	1.1	100.0	84.2	1.6	3.0	88.8	11.2
1963	88.1	11.5	.4	100.0	83.4	1.4	3.0	87.8	12.2
1964	86.1	9.9	4.0	100.0	82.0	1.5	2.9	86.4	13.6
1965	90.6	9.9	-.5	100.0	82.4	1.8	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	2.9	86.5	13.5
1967 8/	93.0	10.4	-3.4	100.0	83.3	1.9	2.9	88.1	11.9

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1960. Includes essentially all commodities having any food use in the United States. Livestock: Red meats, poultry, eggs, milk fat and nonfat solids, and honey. Crops: Food and feed grains, sugar crops, citrus and noncitrus fruit, bananas, tree nuts, potatoes, sweetpotatoes, vegetables, dry beans and peas, cowpeas, popcorn, mustard seed, cocoa, coffee, tea, olives, copra, and major oilseeds. 2/ Meat production includes carcass weight of commercial and farm slaughter; does not include change in live animal inventory. 3/ Includes shipments from U.S. Territories. 4/ Farm, commercial, and Government program holdings; excludes live animal inventory. Section A: Jan. 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes: Negatives indicate stock increases; positives signify withdrawals. 5/ Includes civilian feeding in occupied areas. 6/ Excludes feed and seed. 7/ Includes shipments to U.S. Territories. 8/ Preliminary. Note: 1960-65 revised in accord with the 1964 Census of Agriculture.

Table 5 .--Military food procurement, 1964-67 1/ 2/

Item	1964	1965	1966	1967				
				I	II	III	IV	Year
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat: 3/								
Beef and veal	528	598	683	181	207	193	220	801
Pork	196	241	255	62	82	63	62	269
Other	3	4	5	0	1	1	1	3
Fish 4/	23	24	39	11	19	11	9	50
Chicken and turkey 5/	123	134	153	34	39	40	35	148
Eggs 6/	120	147	159	40	53	41	39	173
Dairy products 7/	3,007	2,819	2,376	---	---	---	---	2,170
Fats and oils 8/	87	119	159	40	65	28	32	165
Fruits:								
Fresh	186	173	185	55	61	45	59	220
Processed	231	359	468	64	244	65	37	410
Vegetables:								
Fresh 9/	694	755	898	165	201	162	160	688
Processed	306	462	446	69	84	36	183	372
Cereal products:								
Wheat flour 10/	164	196	228	36	91	40	41	208
Other cereal products	28	39	41	14	26	15	5	60
Sugar and sirups 11/	140	171	189	52	54	52	33	191
Coffee, tea, and cocoa 12/	53	66	58	18	13	11	5	47
Value of central procurement (million of dollars) 13/	$781	$1,030	$1,118	$235	$317	$280	$220	$1,052
Percentage of total quantity of food use in the U.S. 14/	1.9%	2.1%	2.2%	---	---	---	---	2.2%

1/ Centrally procured items only. 2/ Data in terms of product weight unless otherwise indicated. 3/ Carcass weight basis. 4/ Major fish and shellfish items only. 5/ Ready-to-cook basis. 6/ Shell equivalent. 7/ Milk equivalent (butterfat basis) of all dairy products. Locally procured items estimated by USDA. 8/ Includes salad dressing, mayonnaise, and peanut butter; excludes butter. 9/ Includes potatoes and sweetpotatoes. Dehydrated onions and potatoes are converted to fresh weight equivalent (none reported for 1967). 10/ Wheat flour equivalent. 11/ Excludes sweeteners in manufactured products. 12/ Coffee, roasted bean basis; tea, leaf basis; and beverage cocoa. 13/ Includes minor amounts of nonfood products and food items other than those listed above. 14/ Estimate of total military consumption; derived from data in table 4.

Based primarily on data from the U.S. Department of Defense, Defense Personnel Support Center, Philadelphia, Pa.

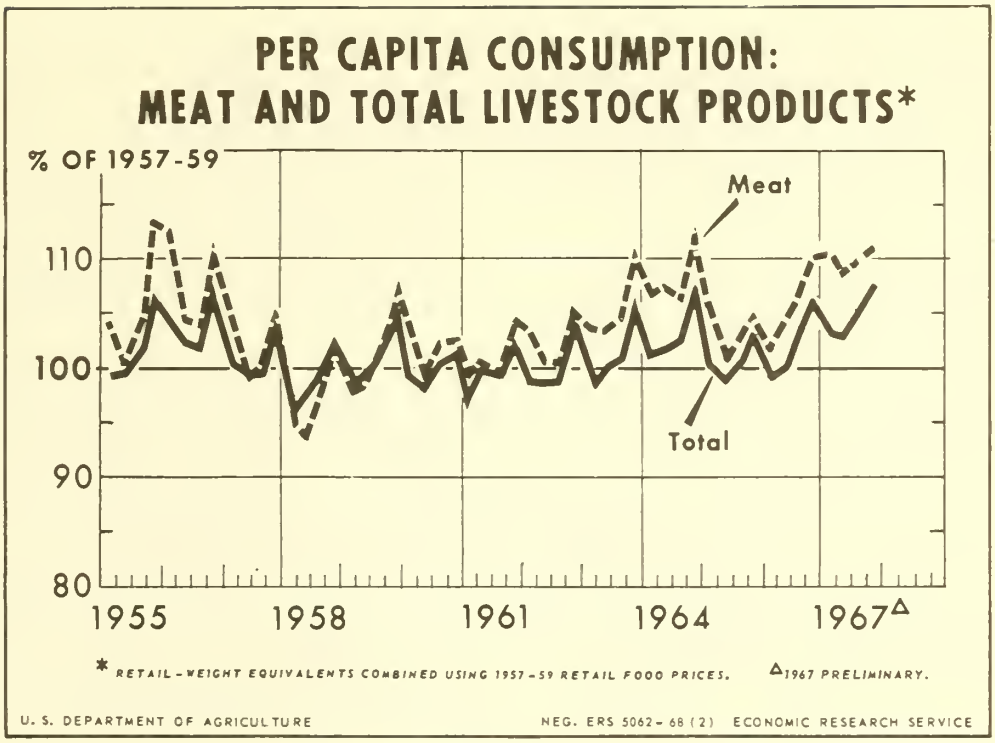

Figure 6

Table 6.--Livestock products: Per capita civilian consumption, by quarters, 1965-67 1/*
(Index, 1957-59=100)

Year and quarter	Meat	Poultry	Eggs	Dairy products		Fats, including butter	Total livestock products 2/
				Excluding butter	Including butter		
1965 I	105.2	96.3	88.6	98.6	97.2	86.8	100.1
II	101.0	111.7	86.9	97.5	95.8	81.7	98.7
III	102.9	129.7	86.9	98.8	96.5	74.0	100.1
IV	104.9	149.3	89.5	96.8	96.0	92.1	103.9
1966 I	101.9	103.2	88.4	99.2	97.4	81.1	99.0
II	104.2	120.0	85.8	98.6	95.9	71.7	100.6
III	106.9	139.4	86.7	98.1	94.6	70.1	103.2
IV	110.3	159.7	91.5	94.7	92.8	77.0	106.0
1967 3/ I	110.4	111.4	91.3	96.6	94.5	78.2	102.9
II	108.5	129.7	88.6	98.2	95.2	70.1	103.4
III	110.1	142.1	90.4	97.0	94.1	69.7	104.8
IV	111.4	165.2	93.9	96.2	94.2	80.7	107.8

1/ Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Methodology paralleled that for annual data reported in U.S. Food Consumption, SB-364, e.g., consumption is defined as disappearance into the marketing system. For a few, relatively minor, foods seasonal consumption patterns were assumed to be the same as similar-type products for which data are available. 2/ Excludes fish and honey. 3/ Preliminary.
*Refer to the November 1967 NFS for data since 1955.

In first-quarter 1968, consumption of total livestock products may run slightly below the high level of a year earlier. Steady to slightly lower consumption is in prospect for most products. Relatively little quarter-to-quarter change in meat consumption is likely again in 1968.

Consumption of total red meat rose to a record 178 pounds (carcass weight) in 1967 (table 7). Most of the 7-pound increase was due to a rise in pork consumption (fig. 7). Beef consumption also increased last year but consumption of veal and lamb declined.

Total meat consumption this year is expected to remain at about the same per capita level as in 1967. Some increase is likely for pork, particularly in the first half year, but some decline is more likely for beef. Consumption of veal and lamb likely will again decline.

Per capita consumption of chicken increased in 1967 and will continue large in 1968. Turkey production increased sharply last year and large cold storage stocks were carried into 1968 (table 8). Consequently, consumption in the first few months of this year may exceed the levels of early 1967. But production this year likely will drop below 1967 levels which may lead to lower consumption for the first time in 5 years.

Egg consumption turned significantly upward in 1967 for the first time since 1951. Larger supplies resulted in a considerable decline in egg prices. Producers reacted by cutting back egg laying flocks. Production rates at the beginning of 1968 were near levels of a year earlier. For the year, both egg production and consumption likely will decline from 1967 levels.

Milk production in 1967 dropped fractionally below the level of 1966 (table 8). Dairy product imports totaled about the same as in 1966, although they were cut below year-earlier rates after midyear. Per capita consumption of milk in all forms totaled about 586 pounds (milk equivalent, butterfat basis) in 1967, down about 3 percent from a year earlier. However, the decline in consumption only amounted to 1 percent per capita measured in terms of retail values. Increased CCC donations of butter and cheese for school lunches and welfare programs helped to offset sharp declines in commercial disappearance of most dairy products other than cheese.

Government stocks of dairy products at the beginning of 1968 were much larger than a year earlier, so donations of these products likely will increase this year. Per capita consumption of total dairy products likely will edge downward again this year, as it has in most years since 1950, although the decline is not likely to be as great as in 1967. With reduced dairy imports and little change in production in prospect, milk supplies are likely to be in better balance with quantity demanded during the first half of 1968 than a year earlier.

Total production of food fats and oils dropped slightly in 1967 from the high level a year earlier (table 8). Butter production increased a tenth as a means of absorbing large milk supplies, even though per capita consumption of butter declined slightly. Lard production also rose, along with the expansion of hog production. However, the production of edible oils declined last year. In 1968, per capita consumption of total fats and oils is expected to again total around 48 pounds per capita as it has in each of the last 2 years. Use of margarine and cooking and salad oils is expected to increase but direct use of lard probably will be down. Shortening and butter use may be near 1967 levels; an increase in butter donations may about offset a decline in commercial consumption.

Fishery Products Down in 1968 1/

Latest data indicate that supplies of edible fishery products for 1967

1/ Prepared by Fish and Wildlife Service, U.S. Department of the Interior.

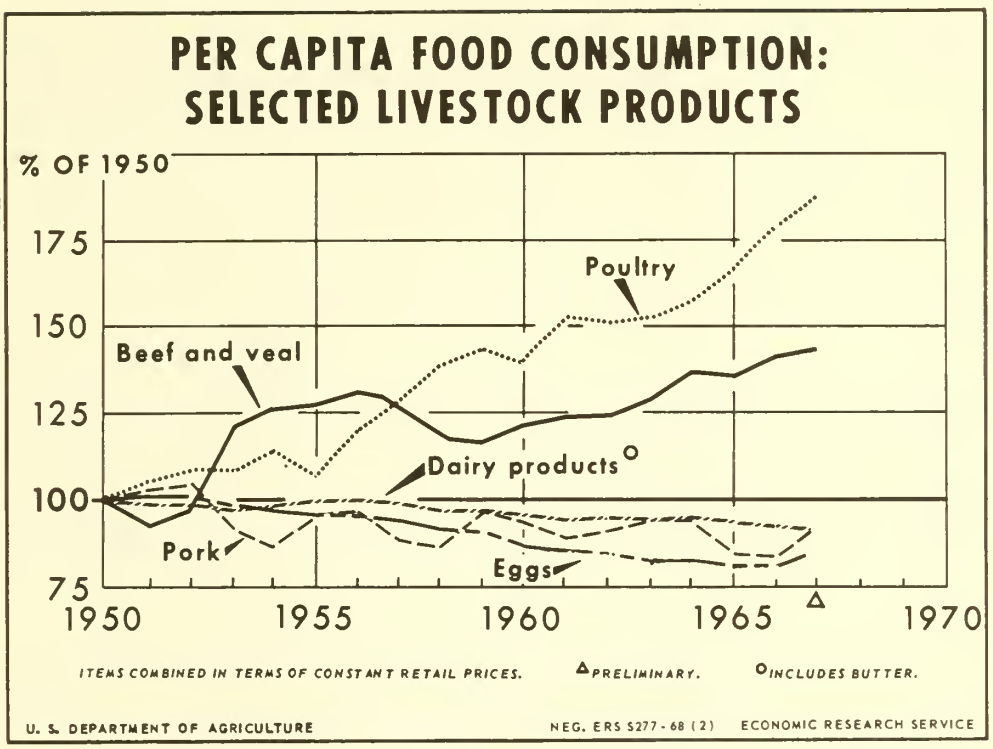

Figure 7

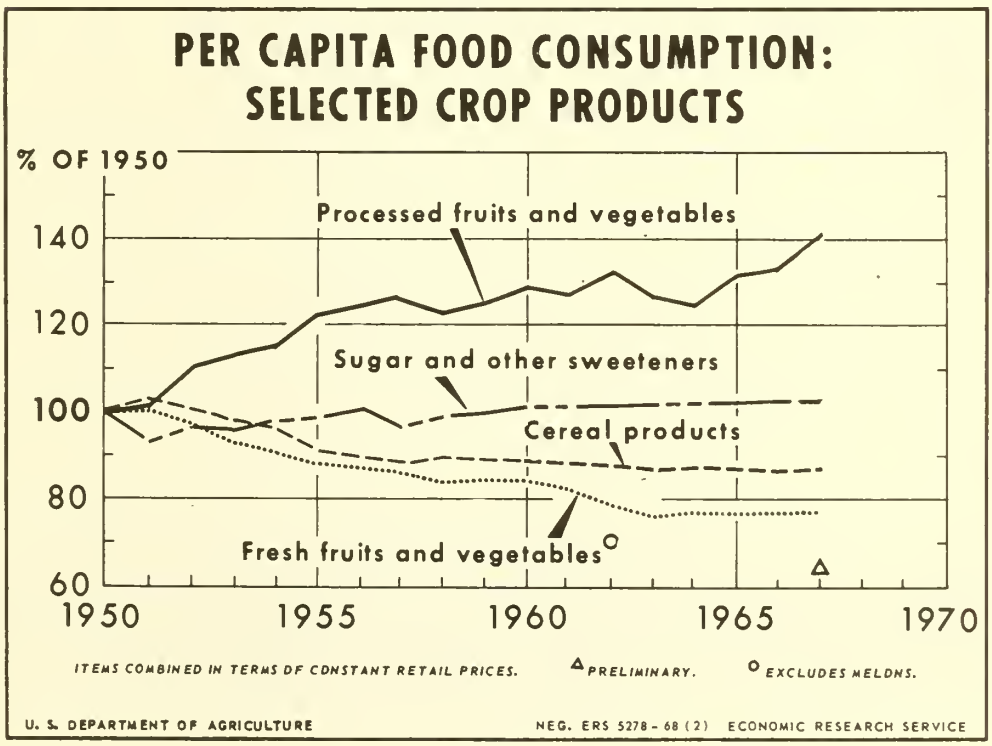

Figure 8

Table 7.--Civilian per capita consumption of major food commodities, primary distribution weight, and civilian population, average 1957-59, annual 1960-67 1/

Commodity	Average 1957-59	1960	1961	1962	1963	1964	1965	1966	1967 Preliminary	1967 as percentage of 1966
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent
Meats (carcass weight) - Total	156.6	160.8	160.4	163.0	169.3	174.5	166.7	170.5	177.6	104
Beef	82.1	85.0	87.7	88.8	94.3	99.8	99.3	104.0	106.3	102
Veal	7.1	6.1	5.6	5.5	4.9	5.2	5.2	4.5	3.8	84
Lamb and mutton	4.4	4.8	5.1	5.2	4.8	4.2	3.7	4.0	3.9	98
Pork (excluding lard)	63.0	64.9	62.0	63.5	65.3	65.3	58.5	58.0	63.6	110
Fish (edible weight) - Total	10.5	10.3	10.7	10.6	10.7	10.5	10.9	10.6	10.6	100
Fresh and frozen	5.7	5.7	5.9	5.8	5.8	5.9	6.0	5.9	5.9	100
Canned 2/	4.2	4.0	4.3	4.3	4.4	4.1	4.4	4.2	4.2	100
Cured	.6	.6	.5	.5	.5	.5	.5	.5	.5	100
Poultry products										
Eggs (farm basis) - Number	356	334	328	326	317	318	314	313	324	104
Chicken (ready-to-cook)	27.5	28.0	30.0	29.9	30.7	31.0	33.3	36.0	37.2	103
Turkey (ready-to-cook)	6.0	6.1	7.4	7.0	6.8	7.3	7.5	7.8	8.7	112
Dairy products										
Total milk fat solids	25.6	24.5	24.0	23.9	23.4	23.3	22.9	22.2	21.6	97
Total nonfat milk solids	43.9	43.2	42.6	42.4	41.6	41.5	41.1	40.7	39.1	97
Cheese	7.9	8.3	8.6	9.2	9.2	9.4	9.5	9.8	10.2	104
Condensed and evaporated milk	14.8	13.7	13.3	12.5	11.6	11.3	10.6	9.6	9.2	95
Fluid milk and cream (milk equivalent)	337	321	311	308	307	304	301	298	286	96
Ice cream (product weight)	18.4	18.3	18.0	17.9	18.0	18.2	18.5	18.1	18.1	100
Fats and oils - Total, fat content 3/	45.3	45.2	45.1	45.7	46.3	47.5	47.7	48.5	48.2	99
Butter (actual weight)	8.2	7.5	7.4	7.3	6.9	6.8	6.4	5.7	5.5	96
Margarine (actual weight)	8.9	9.4	9.4	9.3	9.6	9.7	9.9	10.5	10.5	100
Lard	9.3	7.6	7.7	7.1	6.4	6.3	6.4	5.5	5.5	100
Shortening	11.4	12.6	12.8	13.4	13.5	13.7	14.0	15.9	15.9	100
Other edible fats and oils	10.8	11.5	11.2	11.7	13.1	14.1	14.1	14.1	13.9	99
Fruits										
Fresh (farm weight) - Total	95.5	93.2	88.2	83.2	74.1	78.4	81.0	81.1	81.3	100
Citrus	34.0	33.7	30.8	29.5	22.1	26.1	29.0	29.0	31.6	109
Apples (commercial)	21.0	18.2	16.4	17.4	16.7	17.8	16.3	15.9	15.3	96
Other (excluding melons)	40.5	41.3	41.0	36.3	35.3	34.5	35.7	36.2	34.4	95
Processed:										
Canned fruit	22.4	22.6	23.2	22.7	22.9	22.9	23.4	22.9	22.1	97
Canned juice	13.5	13.0	11.7	11.6	12.9	11.4	10.8	11.6	11.7	101
Frozen (including juices)	8.6	9.1	8.8	9.7	8.0	7.4	8.5	8.1	10.0	123
Dried	3.3	3.1	3.1	3.0	2.9	2.9	3.0	3.0	2.8	93
Vegetables										
Fresh 4/	104.1	105.8	103.6	101.1	101.0	98.3	98.1	98.0	100.3	102
Canned, excluding potatoes and sweetpotatoes	43.3	43.4	43.5	45.1	45.9	45.5	46.8	47.0	48.6	103
Frozen, excluding potatoes	6.6	7.1	7.1	7.7	7.4	8.0	8.5	9.3	9.4	101
Potatoes and sweetpotatoes										
Potatoes, fresh equivalent 5/	106.9	108.3	109.3	107.2	111.3	110.3	108.1	113.3	115.0	102
Frozen potatoes, product weight	1.6	2.7	2.8	3.9	4.5	5.8	5.7	6.9	7.5	109
Sweetpotatoes, fresh equivalent 5/	8.3	7.1	6.5	6.7	6.9	5.5	6.1	5.9	5.8	98
Dry edible beans	7.7	7.3	7.9	7.6	7.5	7.6	6.6	6.3	6.8	108
Melons	25.1	25.8	24.8	23.2	24.6	23.0	23.6	21.7	21.3	90
Sugar (refined)	96.1	97.6	97.7	97.2	96.6	96.5	96.4	97.4	96.9	99
Grains										
Cornmeal and flour	7.4	6.6	6.3	6.1	5.9	5.8	5.7	5.6	5.5	98
Corn sirup	9.4	10.1	10.6	11.5	12.3	13.6	13.6	14.0	14.3	102
Corn sugar	3.6	3.7	3.7	3.9	4.5	4.4	4.5	4.5	4.6	102
Oat food products	3.6	3.6	3.6	3.7	3.7	3.7	3.7	3.7	3.7	100
Wheat flour 6/	120	118	118	115	113	114	113	111	112	101
Wheat cereals	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.9	100
Rye flour	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.1	92
Rice, milled	5.4	6.1	6.2	7.4	6.6	7.0	7.6	7.3	7.3	100
Other										
Coffee (green beans)	15.7	15.8	15.8	15.9	15.7	15.3	14.8	14.5	14.5	100
Tea	.58	.59	.61	.64	.66	.67	.68	.69	.68	99
Cocoa beans	3.5	3.6	3.9	3.8	3.9	3.9	4.0	4.2	4.2	100
Peanuts (shelled)	4.6	4.9	4.9	4.9	5.0	5.3	5.6	5.4	5.6	104
	Million	Million	Million	Million	Million	Million	Million	Million	Million	Percent
Civilian population 7/	171.5	178.2	181.2	183.8	186.7	189.4	191.9	193.8	195.7	101

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis, fresh citrus fruits and peanuts on a crop year basis, and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice which begins in August of previous year. 2/ Includes fish content of items such as clam chowder. 3/ Computed from unrounded data. 4/ Covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 5/ Includes quantities canned and frozen. 6/ Includes white, whole wheat, and semolina flour. 7/ Census estimates of July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

Table 8.--Production of major food commodities, average 1957-59, annual 1960-67 1/

Commodity	Unit	Average 1957-59	1960	1961	1962	1963	1964	1965	1966	1967 Preliminary 2/	1967 as percentage of 1966
Meats (carcass weight) - Total	Mil. lb.	26,612	28,236	28,608	28,972	30,580	32,692	31,535	32,622	34,210	105
Beef	Mil. lb.	13,704	14,753	15,325	15,322	16,453	18,453	18,724	19,725	20,220	103
Veal	Mil. lb.	1,240	1,109	1,044	1,015	929	1,013	1,020	910	790	87
Lamb and mutton	Mil. lb.	711	768	832	808	770	715	651	650	650	100
Pork (excluding lard)	Mil. lb.	10,957	11,606	11,407	11,827	12,428	12,511	11,140	11,337	12,550	111
Poultry and eggs 3/											
Eggs	Mil. doz.	5,475	5,339	5,358	5,403	5,345	5,435	5,474	5,538	5,847	106
Chicken (ready-to-cook)	Mil. lb.	4,880	5,208	5,787	5,825	6,048	6,219	6,649	7,303	7,560	104
Turkey (ready-to-cook)	Mil. lb.	1,065	1,156	1,506	1,302	1,355	1,459	1,521	1,678	1,900	113
Dairy products											
Total milk	Bil. lb.	123.3	123.1	125.7	126.3	125.2	127.0	124.2	120.2	119.6	100
Cheese 4/	Mil. lb.	1,396	1,478	1,635	1,592	1,632	1,723	1,755	1,856	1,897	102
Condensed and evaporated milk	Mil. lb.	2,789	2,666	2,631	2,409	2,369	2,395	2,178	2,185	1,919	88
Ice cream (product weight)	Mil. lb.	3,212	3,358	3,357	3,381	3,444	3,546	3,634	3,610	3,645	101
Fats and oils - Total fat content 5/	Mil. lb.	11,070	12,321	12,334	13,331	13,681	14,051	14,287	14,515	14,288	98
Butter (actual weight)	Mil. lb.	1,477	1,436	1,536	1,579	1,454	1,469	1,346	1,128	1,243	110
Lard 6/	Mil. lb.	2,584	2,562	2,514	2,476	2,473	2,473	2,045	1,929	2,085	108
Margarine (actual weight)	Mil. lb.	1,549	1,695	1,724	1,726	1,794	1,857	1,904	2,110	2,120	100
Shortening	Mil. lb.	2,022	2,313	2,456	2,689	2,584	2,664	2,792	3,181	3,240	102
Other edible fats and oils 7/	Mil. lb.	7,297	8,603	8,585	9,584	10,038	10,395	11,158	11,678	11,200	96
Fruits											
Fresh:											
Citrus	Mil. lb.	6,794	6,873	6,462	6,286	4,854	5,690	6,413	6,668	7,492	112
Apples (commercial)	Mil. lb.	3,859	3,156	3,449	3,417	3,447	3,569	3,375	3,213	3,100	96
Other (excluding melons)	Mil. lb.	4,072	3,927	4,036	4,017	3,657	3,623	3,770	3,846	3,431	89
Processed:											
Canned fruit	Mil. lb.	4,158	4,312	4,593	4,842	4,293	5,325	4,619	4,976	4,261	86
Canned fruit juices	Mil. lb.	2,688	2,620	2,430	2,522	2,636	2,190	2,257	2,545	2,845	112
Frozen (including juice)	Mil. lb.	1,556	1,620	1,741	2,037	1,232	1,533	1,657	1,577	2,136	135
Dried	Mil. lb.	694	695	758	723	773	832	863	860	662	77
Vegetables 8/											
Fresh 9/	Mil. lb.	19,881	21,442	20,971	20,691	20,984	20,694	21,207	21,299	22,130	104
Canned	Mil. lb.	7,694	7,864	8,727	9,424	8,804	8,749	9,061	9,435	10,640	113
Frozen	Mil. lb.	1,183	1,402	1,531	1,493	1,455	1,507	1,778	1,976	2,050	104
Potatoes and sweetpotatoes											
Potatoes	Mil. cwt.	252	257	293	265	271	241	291	307	306	100
Frozen potato products	Mil. lb.	287	551	579	762	861	1,118	1,219	1,459	1,500	103
Sweetpotatoes	Mil. cwt.	18.2	14.9	14.4	17.1	14.4	13.0	15.5	13.7	14.0	103
Dry edible beans 10/ 11/	Mil. lb.	1,782	1,741	1,967	1,794	1,998	1,738	1,646	1,996	1,547	78
Dry field peas 10/	Mil. lb.	385	367	384	566	552	568	466	435	439	101
Melons 9/	Mil. lb.	4,455	4,673	4,462	4,470	4,698	4,258	4,426	4,196	4,202	100
Sugar, raw basis	1,000 tons	12/2,732	4,012	4,268	4,399	4,870	5,587	5,371	5,288	5,275	100
Grains											
Wheat	Mil. bu.	1,177	1,355	1,233	1,092	1,147	1,283	1,316	1,312	1,524	116
Rye	Mil. bu.	28.3	33.1	27.3	40.7	29.2	32.5	33.2	27.8	24.1	87
Rice, rough	Mil. cwt.	45.7	53.7	54.6	54.2	66.1	70.3	73.2	76.3	85.1	112
Corn, grain only	Mil. bu.	3,409	3,907	3,598	3,606	4,019	3,484	4,084	4,117	4,722	115
Oats	Mil. bu.	1,247	1,153	1,010	1,012	966	852	927	801	782	98
Barley	Mil. bu.	447	429	392	428	393	386	392	393	370	94
Peanuts, farmers' stock 13/	Mil. lb.	1,591	1,718	1,657	1,719	1,942	2,099	2,384	2,410	2,509	104

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated. 50-State basis beginning 1960. 2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board. 3/ Includes an allowance for nonfarm production. 4/ Excludes full skim, cottage, pot, and baker's cheese. 5/ Includes butter, lard and "other edible fats and oils." 6/ Includes amount used in manufactured food and nonfood products. 7/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils; oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items. 8/ Excludes potatoes and sweetpotatoes. 9/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use. 10/ Cleaned basis. Beginning 1960, dry peas include lentils. 11/ Beginning 1959, excludes seed beans produced on contracted acreage. 12/ Excludes Hawaiian production. 13/ Beginning 1959 on a net-weight basis (cleaned and adjusted to standardized moisture content).

dropped about 3 percent--some 70 million pounds--below 1966. Imports did not increase as expected although domestic production dropped. In addition to the small run of salmon, there were disappointing catches of Northern lobsters, sea scallops, haddock, ocean perch, Atlantic coast flounders and whiting.

Total yearend stocks were below a year earlier, but except for canned salmon, stocks were not unusually low. Cold storage holdings were lower for fillets of cod and haddock, halibut, swordfish, whiting, spiny lobster tails, oysters, crabs and crab meat, scallops, and cured fish. On the plus side, frozen stocks of shrimp were sharply above those of a year ago.

The production picture is not encouraging for 1968. Groundfish--haddock, cod, pollock and flounder--are expected to be smaller off the New England coast this year. Shrimp production, primarily from the Gulf of Mexico, is not expected to be as high as last year. Salmon production should improve over 1967, a particularly poor year, but it may not reach 1965 and 1966 levels. The catches of Northern lobsters and sea scallops are not likely to increase much, if any, and little change is expected for crabs and oysters. Imports likely will continue to provide around a half of the available supply of edible fishery products in 1968.

Food Use of Crops May Stabilize

Per capita consumption of processed fruits and vegetables advanced significantly in the past 3 years, with little change in consumption of fresh produce (fig. 8). Citrus fruit consumption rose sharply as production recovered from severe freeze damage in earlier years. Use of canned vegetables has risen 7 percent per capita in the past 3 years even though use of frozen vegetables is up 18 percent per capita.

During the first half of 1968, total supplies of fresh and processed fruits are expected to be considerably smaller than a year earlier. Despite a large carryover of citrus products from the previous crop, a one-third decline in the current citrus crop is sufficient to bring total supplies well below last year's record level. In addition, the sharp drops in most 1967 noncitrus fruit crops have resulted in lower supplies carried over into 1968 for both fresh and processed products. Inventories of most canned fruits were well below a year earlier on January 1. Supplies of dried fruits also were below a year earlier as a result of a drop in raisin output in 1967.

The acreage of most leading fresh vegetables this winter is down substantially from last winter. Production is running substantially smaller and prices are materially higher than last winter. However, supplies of canned and frozen vegetables at the beginning of 1968 were larger than a year earlier.

Supplies of potatoes were record large on January 1, 1968. Per capita consumption of potatoes in 1967 was above a year earlier and higher than in any year since 1950, due to increased use in processed form. Consumption this year likely will remain around the 1967 level.

Per capita consumption of wheat flour this year is likely to continue the small decline of recent years. In contrast, per capita consumption of milled rice has been trending upward, due primarily to increased use in breadfast cereals. Following a steady increase between 1957 to 1964, per capita consumption of corn food products has held about stable during the last 4 years. In 1967, per capita consumption of corn sirup and corn sugar (dextrose) increased slightly, although consumption of other corn products remain near 1966 levels. Little change occurred in consumption of oat and barley food products in 1967.

Per capita consumption of refined sugar in 1967 remained near the 1966 level. Little change is indicated for this year. Less sugar was needed for fruit processing

last year, but more sugar was used in soft drinks and candy.

Imports of coffee in 1967 totaled about the same as a year earlier. Increased imports of instant coffee about offset a small decline in imports of green beans. Coffee roastings declined slightly in the first 3 quarters of the year, but per capita coffee consumption in 1967 remained about steady with a year earlier, following 4 years of decline. Little change occurred in consumption of tea in 1967. Sales of loose tea and tea bags declined slightly relative to total sales but sales of instant tea continued to rise in importance.

Per capita consumption of chocolate and cocoa products last year remained at about the same level as in 1966. Imports of processed products continued to expand, thereby slowing the gain in cocoa bean grind. Higher bean prices in 1967 were reflected at retail. However, consumption of confectionery products continued to advance, reaching 21 pounds per capita in 1967. A further gain is likely this year.

FOOD MANUFACTURING

Shipments Up 2 Percent

Shipments by the food and beverage industries advanced sharply in October and November 1967, the latest data available. November shipments exceeded those for September by 9 percent and were 14 percent above November 1966 (seasonally adjusted). The increase in shipments of food and kindred products much exceeded the rise in shipments by total manufacturers.

Inventories of food and beverage manufacturers at the end of November 1967 were 2 percent above the lowest point of the year reached in September, but still below the peak reached in April. Inventory levels, that had been running 5 to 8 percent above a year earlier since early in 1966, by November 1967 had receded to only slightly above November 1966. The inventory-shipments ratio increased early in the year but weakened after April. The sharp pick-up in shipments in October and November drove the inventory-shipments ratio to a new low level of 0.77. This ratio has declined significantly in recent years, dropping from 1.09 in 1962 to 0.87 in 1966.

Inventories of the food and beverage industries are not as large relative to shipments as for manufacturing generally. The inventory-shipments (sales) ratio for total manufacturing was 1.76 at the end of November 1967, down from 1.82 in September but up slightly from November 1966.

The value of shipments by the food and beverage industries rose 2 percent in 1967 but the increase fell far short of the 7-percent gain a year earlier (table 9). Much of the difference was due to prices. Wholesale prices for processed foods and feeds increased 6 percent in 1966, but they declined 1 percent in 1967. The rate of increase in industrial production of foods and beverages also dropped off in 1967. In fact, on a seasonally adjusted basis, food and beverage production showed little change from January to November 1967.

1968 Shipments to Rise

For 1968, the Department of Commerce has estimated an increase in food and beverage shipments of more than 5 percent.1/ Part of the 1968 increase likely will be due to anticipated higher prices. But, the quantity of processed foods and beverages is expected to expand somewhat more than the 1-percent growth expected in population in 1968. The increase in value of food and beverage shipments this year likely will be greatest for processed fruits and vegetables, certain dairy products (such as cheese), confectionery products, soft drinks, and vegetable oil products.

Employment Stable

Employment in the food and beverage industries has remained relatively stable over the past 10 years at slightly under 1.8 million (1.2 million production workers). The Department of Labor expects a small increase in employment this year. Employment in grocery stores is almost as large as in food and beverage manufacturing. Nearly 1.4 million persons were employed in grocery stores in 1967 (about 44 percent part time), and an increase of nearly 2 percent is likely this year. Employment by eating and drinking places, at 2.2 million, exceeded both food processing and retailing in 1967. Employment in this business has increased steadily in recent years, and a further gain of around 6 percent is likely in 1968.

Earnings Up

Average weekly gross earnings of production workers in the food and beverage

1/ U.S. Department of Commerce U.S. Industrial Outlook, 1968, pp. 47-50, December 1967.

Table 9.—Value of shipments for specified food industries, 1958 and 1960-68
(In millions of dollars)

Item	1958	1960	1961	1962	1963	1964	1965	1966	1967	1968 1/	Percent change 1966-67	Percent change 1967-68
Food and kindred products	59,785	---	64,590	66,906	68,308	71,597	74,253	79,751	81,500	85,800	2.1	5.3
Meatpacking plants	11,972	11,828	11,939	12,491	12,466	12,973	13,931	15,069	15,180	16,000	.7	5.4
Sausage and other prepared meat products	2,006	2,008	2,048	2,134	2,172	2,297	2,323	2,502	2,525	2,650	.9	4.9
Poultry and small game dressing and packing, wholesale	1,888	2,054	2,084	2,078	2,240	2,330	2,490	2,754	2,800	2,966	1.7	5.9
Cheese, natural and processed	874	994	1,110	1,107	1,170	1,226	1,325	1,552	1,635	1,775	5.3	8.5
Condensed and evaporated milk	821	936	1,037	963	936	1,021	1,050	1,100	1,160	1,250	5.4	7.7
Ice cream and frozen desserts	951	1,048	1,086	1,093	1,072	1,090	1,083	1,142	1,150	1,195	.7	3.9
Fluid milk	6,412	6,763	6,835	6,889	7,007	7,299	7,185	7,435	7,510	7,750	1.0	3.2
Canned specialties 2/	847	989	1,058	1,086	1,166	1,231	1,368	1,457	1,515	1,650	4.0	8.9
Canned fruits, vegetables, preserves, jams and jellies	2,334	2,516	2,626	2,626	2,730	2,966	2,982	3,216	3,315	3,700	3.1	11.6
Frozen fruits, fruit juices, vegetables, and specialties	1,026	1,207	1,275	1,324	1,535	1,652	1,816	1,885	1,960	2,140	4.0	9.2
Flour and other grain mill products	2,087	2,240	2,331	2,369	2,186	2,193	2,146	2,345	2,345	2,410	0	2.8
Prepared feeds for animals and fowls	3,238	3,262	3,478	3,652	3,863	3,870	3,987	4,438	4,560	4,890	2.7	7.2
Bread and other bakery products	4,099	4,333	4,365	4,446	4,473	4,618	4,725	5,007	5,202	5,330	4.0	2.5
Cookies and crackers	983	1,051	1,074	1,134	1,152	1,198	1,236	1,327	1,365	1,460	2.8	6.9
Cane sugar refining	997	1,068	1,076	1,140	1,271	1,185	1,182	1,219	1,250	1,280	2.5	2.4
Candy and other confectionery products	1,229	1,318	1,362	1,395	1,448	1,553	1,583	1,681	1,795	1,942	6.7	8.1
Malt liquors	1,983	2,179	2,200	2,282	2,317	2,470	2,497	2,700	2,781	2,864	3.0	3.0
Distilled, rectified, and blended liquors	941	927	938	946	1,077	1,134	1,288	1,332	1,440	1,517	7.8	5.3
Bottled and canned soft drinks and carbonated waters	1,558	1,806	1,911	2,031	2,191	2,409	2,505	2,735	2,883	3,100	5.4	7.5
Flavorings	477	548	599	661	720	833	837	974	1,057	1,140	8.5	7.8
Soybean oil mills	1,081	1,133	1,284	1,346	1,464	1,588	1,732	2,010	2,100	2,300	4.4	9.5
Roasted coffee	2,039	---	---	---	1,846	2,113	2,090	2,083	2,100	2,150	.8	2.4
Table oils, margarine and shortening, and other edible fats and oils, n.e.c 3/	1,239	1,052	1,285	1,672	1,292	1,326	1,489	1,688	1,750	1,900	3.6	8.6
All other food and kindred products	---	---	---	---	10,514	11,022	11,403	12,100	12,127	12,441	1.8	2.6

1/ Estimated by U.S. Department of Commerce.

2/ Value of production.

3/ n.e.c. indicates not elsewhere classified.

Source: Department of Commerce, U.S. Industrial Outlook, 1968, p. 49.

industries increased 4 percent between 1966 and 1967. Hourly earnings were up 4½ percent; but the average hours worked dropped nearly 1 percent. Weekly earnings in the food and beverage industries increased more than in total manufacturing but they remained at a 6-percent lower level in 1967. Total hours worked did not decline as much as for total manufacturing and hourly earnings increased at a faster rate.

Profits Down

Sales by a sample of food and beverage corporations in the first 3 quarters of 1967 exceeded the same period a year earlier by 6 percent 2/. Net profits from operations were 2 percent larger, but Federal income taxes were higher. Consequently, net profits after taxes declined 2 percent and after-tax profits as a percentage of sales declined from 2.8 to 2.5 percent. Despite the drop in earnings, food and beverage corporations paid out more dividends to stockholders in the first 3 quarters of 1967 than during the same year-earlier period. As a result, net profits retained in the business declined. This decline was counterbalanced by a continued increase in depreciation charges; total cash flow remained about unchanged.

The value of assets of these food and beverage corporations increased between the first 3 quarters of 1966 and 1967. After-tax profits as a percentage of total assets dropped from 6.5 to 5.9 percent and profits as a percentage of net assets (stockholders' equity) declined from 11.2 to 10.5 percent (annual rates).

2/ Federal Trade Commission and Securities and Exchange Commission, Quarterly Financial Report for Manufacturing Corporations, third quarter 1967 and third quarter 1966.

COMPARATIVE LIVING COSTS

The Department of Labor recently completed a study comparing living costs in various cities of the United States.1/ It was based on prices in the fall of 1966. A city worker's family budget was constructed to represent a moderate standard of living for a well-established family of four. This hypothetical family consisted of an employed man (age 38) and his wife not employed outside of the home, a girl (age 8), and a boy (age 13). The quantities and qualities of goods and services were defined by specialists as meeting adequate standards rather than average expenditures. In the case of food, the study used the moderate-cost USDA food plan, adjusted for meals eaten away from home and regional food preference patterns.

The annual cost of total food in this budget for all areas averaged $2,143. Food costs were 1 percent higher than the U.S. average in metropolitan areas but 6 percent lower in nonmetropolitan urban areas (population 2,500 to 50,000) (table 10). Food costs in Honolulu were found to be 19 percent above the U.S. urban average and in both New York City and Hartford, Connecticut to be 11 percent higher. Food costs were generally higher than average throughout the Northeast and lower in the South. Food costs in Washington, D.C., equaled the U.S. average. Costs were 7 to 8 percent lower than the average in most cities in the South and 10 percent lower in nonmetropolitan areas of the South.

The U.S. city worker's family budget totaled $9,191, with spending on goods and services totaling $7,329 for the 4-person family.2/ Costs for renter families were 8 percent lower than for homeowner families. Total living costs were generally higher in the Northeast and West than in the South, with the North Central Region falling near the U.S. average. Housing and medical costs were more variable than food costs, both within and among regions.

1/ U.S. Department of Labor, City Worker's Family Budget, BLS Bulletin No. 1570-1.

2/ The costs of equivalent goods and services for a 2-person family under 35 years of age were estimated at 49 percent of this total. Costs for a 6-person family with oldest child 18 or over were estimated 49 percent higher.

Table 10.--Indexes of comparative living costs based on the city worker's family budget, Autumn 1966 1/

(U.S. urban average cost = 100)

Area	Total budget	Cost of family consumption						
		Total	Food	Housing, total	Transportation	Clothing and personal care	Medical care	Other family consumption
U.S. urban average (dollars)	$9,191	$7,329	$2,143	$2,214	$815	$970	$468	$719
Urban United States	100	100	100	100	100	100	100	100
Metropolitan areas 2/	102	102	101	103	100	102	103	102
Nonmetropolitan areas 3/	91	91	94	86	100	93	88	91
Northeast:								
Boston, Mass.	110	110	108	123	100	100	101	104
Buffalo, N.Y.	106	104	103	107	108	104	99	100
Hartford, Conn.	109	110	111	115	112	104	103	108
Lancaster, Pa.	97	97	107	88	95	99	88	102
New York-Northeastern N.J.	111	110	111	120	90	104	106	106
Philadelphia, Pa.-N.J.	100	100	107	96	91	101	96	102
Pittsburgh, Pa.	97	97	104	89	97	100	93	102
Portland, Maine	101	102	106	99	101	105	100	101
Nonmetropolitan areas 3/	98	98	102	96	101	95	94	93
North Central:								
Cedar Rapids, Iowa	103	102	97	106	103	104	93	104
Champaign-Urbana, Ill.	102	103	99	112	97	101	103	101
Chicago, Ill.-Northwestern Ind.	103	105	100	115	95	103	103	102
Cincinnati, Ohio-Ky.-Ind.	98	98	98	98	102	98	86	100
Cleveland, Ohio	101	103	98	111	101	103	92	100
Dayton, Ohio	95	96	96	92	101	99	86	101
Detroit, Mich.	98	99	100	94	100	103	99	102
Green Bay, Wis.	99	96	93	95	101	99	91	103
Indianapolis, Ind.	102	102	98	106	109	103	92	104
Kansas City, Mo.-Kans.	100	99	100	94	107	103	94	103
Milwaukee, Wis.	106	103	96	113	102	100	95	102
Mineapolis-St. Paul, Minn.	103	100	96	103	102	102	95	100
St. Louis, Mo.-Ill.	101	101	103	99	103	101	95	99
Wichita, Kans.	98	98	99	94	104	98	95	104
Nonmetropolitan areas 3/	93	93	93	76	97	96	85	89
South:								
Atlanta, Ga.	92	92	94	82	101	97	93	104
Austin, Tex.	87	89	93	76	99	93	90	99
Baltimore, Md.	96	94	95	90	99	96	96	98
Baton Rouge, La.	93	94	95	85	110	94	91	101
Dallas, Tex.	92	94	94	85	101	94	102	102
Durham, N.C.	95	93	92	91	99	95	95	96
Houston, Tex.	91	93	95	81	106	93	100	102
Nashville, Tenn.	93	95	92	91	102	98	91	102
Orlando, Fla.	92	93	93	89	102	92	93	100
Washington, D.C.-Md.-Va.	102	101	100	105	101	98	99	100
Nonmetropolitan areas 3/	85	86	90	76	99	88	84	90
West:								
Bakersfield, Calif.	97	97	97	87	110	102	116	96
Denver, Colo.	100	100	99	100	106	104	102	97
Honolulu, Hawaii	122	118	119	129	122	99	100	112
Los Angeles-Long Beach, Calif.	103	103	98	98	107	106	134	101
San Diego, Calif.	101	101	95	100	110	101	124	98
San Francisco-Oakland, Calif.	108	107	102	109	110	111	118	104
Seattle-Everett, Wash.	105	107	106	104	113	110	106	105
Nonmetropolitan areas 3/	97	96	95	91	104	102	94	93

1/ The family consists of an employed husband, age 38, a wife not employed full time outside the home, an 8-year-old girl, and a 13-year-old boy.

2/ For a detailed description, see the 1967 edition of the Standard Metropolitan Statistical Areas, prepared by the Bureau of the Budget.

3/ Places with population of 2,500 to 50,000.

Source: U.S. Department of Labor, City Worker's Family Budget For a Moderate Living Standard, Bulletin No. 1570-1, 1967, p. 13.

POPULATION AND FOOD CONSUMPTION 1/

Population in a high-income country such as the United States is the primary determinant of demand for its agricultural products. The increase in total food consumption tends to parallel population growth with little change in per capita consumption over time (cover chart). Domestic food use accounts for appoximately 85 percent of the annual net utilization of all farm food commodities (table 4, p.11). It also accounts for about 92 percent of the total use of livestock food products, and 45 percent of the total direct use of crops for food.

Shifting Demand for Foods

Average per capita food consumption declined from 1,589 pounds (retail weight equivalent) during 1909-14 to 1,420 pounds during 1962-67. Since food is sold in more concentrated form now than formerly, part of the decline reflects technological change.

The Food Consumption Index reflects per capita consumption of foods in pounds (retail weight equivalent) multiplied by their respective retail prices in a base period (currently 1957-59). This index has increased from an average of 87.3 in 1909-14 to 101.9 in 1962-67. It has gone up because people have increased their consumption of: (1) Relatively higher-price foods (such as meat) and (2) commercially processed foods (as opposed to fresh or relatively unprocessed foods). These changes, in turn, are due to increasing incomes, changes in relative prices, and changing tastes.

Importance of Population Growth to Food Consumption

From 1950 to 1967, the average increase in an index of total food consumption averaged about 1.8 percent per year. The U.S. population increased about 1.6 percent annually, while the Per Capita Food Consumption Index increased only about 0.2 percent per year. Regardless of how food consumption is measured, the increase in population provides most of the additional demand for farm products over time.

The importance of population growth to total quantity used can be illustrated by some examples. Per capita consumption of refined sugar has remained relatively stable (approximately 97 pounds since 1947). Thus, virtually all of the increase in total domestic consumption, from 6.9 million tons in 1947 to 9.7 million tons in 1967, came from increased population. Per capita consumption of pork declined from 65 pounds (retail weight) in 1947 to 59 pounds in 1967, while total pork consumption increased from 4.6 to 5.8 million tons because population growth more than offset the decline in consumption.

Trends in U.S. Population

In 1900, the total U.S. population was 76 million (table 11). It increased to 100 million by 1915. But, limitations imposed on immigration and low birthrates in the 1930s slowed population growth. It took until 1949 to reach 150 million. But, primarily because of relatively high birthrates in the 1950s, another 50 million people were added to the U.S. population by 1967.

U.S. population growth rates have varied considerably. During the 1930-41 period (mostly the depression years) the average annual rate of growth was only 0.7 percent. From 1947 to 1962 the rate of growth averaged 1.8 percent annually.

1/ By Frederick D. Gray, Agricultural Economist, Food Consumption and Utilization Section, Economic and Statistical Analysis Division, ERS.

Table 11.--U.S. population by specified age groups, July 1, 1900-67

Year	Population by age group							Percentage distribution of population						
	14 and under	15 to 29	30 to 44	45 to 59	60 and over	15 and over	Total	14 and under	15 to 29	30 to 44	45 to 59	60 and over	15 and over	Total
	Thou.	Thou.	Thou.	Thou.	Thou.	Thou.	Thou.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1900	26,147	21,523	14,862	8,661	4,901	49,947	76,094	34.36	28.29	19.53	11.38	6.44	65.64	100.0
1905	27,832	23,908	16,710	9,854	5,516	55,988	83,820	33.20	28.52	19.94	11.76	6.58	66.80	100.0
1910	29,621	26,455	18,790	11,267	6,274	62,786	92,407	32.06	28.63	20.33	12.19	6.79	67.94	100.0
1915	32,007	27,717	20,837	12,824	7,164	68,542	100,549	31.84	27.57	20.72	12.75	7.12	68.16	100.0
1920	33,789	28,142	22,477	14,101	7,957	72,677	106,466	31.75	26.43	21.11	13.24	7.47	68.25	100.0
1925	35,930	30,041	24,946	15,883	9,032	79,902	115,832	31.01	25.94	21.54	13.71	7.80	68.99	100.0
1930	36,035	32,410	26,439	17,810	10,494	87,153	123,188	29.25	26.31	21.46	14.46	8.52	70.75	100.0
1935	34,413	33,718	27,453	19,656	12,122	92,949	127,362	27.02	26.47	21.56	15.43	9.52	72.98	100.0
1940	32,942	35,189	28,712	21,458	13,821	99,180	132,122	24.94	26.63	21.73	16.24	10.46	75.06	100.0
1945	34,578	35,502	30,724	23,186	15,938	105,350	139,928	24.71	25.37	21.96	16.57	11.39	75.29	100.0
1946	35,088	35,275	31,134	23,493	16,399	106,301	141,389	24.82	24.94	22.02	16.62	11.60	75.18	100.0
1947	36,663	35,161	31,618	23,791	16,893	107,463	144,126	25.43	24.40	21.94	16.51	11.72	74.57	100.0
1948	38,008	35,021	32,133	24,085	17,384	108,623	146,631	25.92	23.88	21.91	16.43	11.86	74.08	100.0
1949	39,377	34,823	32,663	24,409	17,916	109,811	149,188	26.40	23.34	21.89	16.36	12.01	73.60	100.0
1950	40,839	34,583	33,183	24,651	18,428	110,845	151,684	26.92	22.80	21.88	16.25	12.15	73.08	100.0
1951	42,339	34,273	33,679	25,030	18,966	111,948	154,287	27.45	22.21	21.83	16.22	12.29	72.55	100.0
1952	43,917	33,942	34,177	25,385	19,533	113,037	156,954	27.98	21.63	21.78	16.17	12.44	72.02	100.0
1953	45,465	33,747	34,520	25,727	20,106	114,100	159,565	28.50	21.15	21.63	16.12	12.60	71.50	100.0
1954	47,096	33,577	34,884	26,135	20,699	115,295	162,391	29.00	20.68	21.48	16.09	12.75	71.00	100.0
1955	48,759	33,455	35,220	26,568	21,273	116,516	165,275	29.50	20.24	21.31	16.08	12.87	70.50	100.0
1956	50,369	33,543	35,513	26,991	21,805	117,852	168,221	29.95	19.94	21.11	16.04	12.96	70.05	100.0
1957	51,948	33,801	35,753	27,452	22,320	119,326	171,274	30.33	19.74	20.87	16.03	13.03	69.67	100.0
1958	53,148	34,383	35,911	27,944	22,755	120,993	174,141	30.52	19.74	20.62	16.05	13.07	69.48	100.0
1959	54,506	34,886	35,991	28,449	23,241	122,567	177,073	30.77	19.70	20.33	16.07	13.13	69.23	100.0
1960	56,099	35,516	36,201	29,046	23,822	124,585	180,684	31.04	19.66	20.04	16.08	13.18	68.96	100.0
1961	57,672	36,116	36,200	29,504	24,264	126,084	183,756	31.39	19.65	19.70	16.06	13.20	68.61	100.0
1962	58,191	37,717	36,122	29,932	24,694	128,465	186,656	31.17	20.21	19.35	16.04	13.23	68.83	100.0
1963	58,861	39,156	35,967	30,339	25,094	130,556	189,417	31.07	20.67	18.99	16.02	13.25	68.93	100.0
1964	59,473	40,644	35,711	30,759	25,532	132,646	192,119	30.95	21.16	18.59	16.01	13.29	69.05	100.0
1965	59,909	42,043	35,465	31,202	25,964	134,674	194,583	30.78	21.61	18.23	16.04	13.34	69.22	100.0
1966	60,083	43,570	35,195	31,675	26,397	136,837	196,920	30.51	22.13	17.87	16.09	13.40	69.49	100.0
1967	---	---	---	---	---	---	199,118	---	---	---	---	---	---	---

Source: Calculated from U.S. Bureau of the Census, Current Population Reports--Population Estimates, Series p-25, Numbers 311, 321, and 352.

The number of people in the older aged groups increased most rapidly during the past 67 years (table 11). The proportion of the population age 60 and above doubled between 1900 and 1966. The 45-to-59 group grew rapidly prior to 1940, but at the same rate as total population since then. The below-14 group declined relative to the total population prior to 1940, advanced through 1960, but has receded since then.

Population Prospects to 1980 and 2000

The Bureau of the Census recently published projections of the U.S. population for the years 1980 and 2000 using 4 different sets of assumption.2/

Year	A	B	C	D
	--Millions of persons--			
1980	250.5	243.2	235.2	227.7
2000	361.4	336.0	307.8	282.6

These assume the following average annual rates of population growth after 1966:

Year	A	B	C	D
	--Percent--			
1980	1.7	1.5	1.3	1.0
2000	1.8	1.6	1.3	1.1

The series C projection estimate most nearly approximates the average 1962-67 growth rate. If future U.S. population levels were to increase at the rate prevailing during 1947-62 (or 1910-15), the population would attain the levels shown in the series B estimate for 1980 and 2000.

Relevance to Food Industry

If per capita consumption of food remains near current levels, total domestic use would increase about in line with population growth--about 17 percent by 1980 and 55 percent by 2000 using the series C projection. Refined sugar, fish, ice cream, coffee, cocoa, and bananas are examples of foods for which per capita consumption has remained relatively stable in recent years.

If per capita consumption of an item increases in future years, total domestic consumption would rise more rapidly. Beef, broilers, turkey, cheese, processed fruits and vegetables, processed potatoes, margarine, rice, and corn sirup are examples of products whose per capita consumption has increased in recent years.

If per capita consumption of a food declines from current levels in future years, total domestic consumption would increase only to the extent that population increases offset per capita declines. Fluid milk, butter, lard, eggs, pork, fresh fruits and vegetables, melons, sweetpotatoes and wheat flour are examples of foods whose per capita consumption has declined in recent years.

Nevertheless, future total domestic consumption may differ from current expectations. There may be unforeseen shifts to substitutes. Sizable changes may occur in per capita consumption of certain foods or food groups by target years 1980 and 2000. But, per capita consumption of all food is likely to change less than for an individual food or food group because changes in consumption patterns tend to be offsetting in aggregate.

2/ U.S. Bureau of the Census, Current Population Reports--Population Estimates. Series No. P-25, No. 381 (December 8, 1967) pp. 2 and 94 (prepared by Jacob S. Siegel).

Table 12.--Wholesale Price Indexes, selected items, 1947-67
(1957-59=100)

Year and month	Farm products						Processed foods and feeds											
		Fresh and dried fruits and vegetables 1/	Total 2/	Meats			Poultry	Fish	Dairy	Processed fruits and vegetables 1/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 3/	Total 4/	All food 5/	Industrial commodities 6/	All commodities
	Eggs			Beef and veal	Pork	Total												
1947-49	133.6	94.3	109.2	97.1	112.6	100.9	174.3	80.5	88.6	93.0	123.5	84.8	87.2	75.3	93.9	94.4	79.0	84.2
1950	113.4	86.1	106.4	106.8	98.3	103.6	148.5	80.7	84.0	92.8	101.8	83.9	85.1	83.5	93.2	93.0	82.9	86.8
1951	144.2	91.7	123.8	128.4	103.8	120.2	163.5	86.3	95.4	98.1	120.0	90.6	92.2	89.0	103.5	104.1	91.5	96.7
1952	128.0	113.4	116.8	122.3	101.6	110.8	149.8	85.7	100.6	97.6	98.7	90.6	94.8	90.8	102 3	102.7	89.4	94.0
1953	141.2	94.6	105.9	89.6	111.8	93.0	144.6	85.2	97.9	97.3	103.3	92.8	95.3	92.4	97.6	98.5	90.1	92.7
1954	106.7	93.5	104.4	88.0	115.9	92.4	121.4	85.2	94.0	97.2	105.0	96.5	98.0	102.9	99.3	97.7	90.4	92.9
1955	114.6	98.1	97.9	85.7	94.0	83.5	128.0	84.9	94.0	98.1	100.6	98.5	96.3	99.1	95.0	95.3	92.4	93.2
1956	109.4	98.2	96.6	82.3	87.8	79.8	108.4	91.9	96.2	100.4	105.4	97.6	95.7	101.5	94.8	95.2	96.5	96.2
1957	103.2	97.7	99.2	87.9	102.5	91.9	101.5	96.2	98.9	96.6	106.3	99.1	98.9	101.6	97.6	98.1	99.2	99.0
1958	109.2	105.6	103.6	105.3	108.3	108.9	102.2	103.5	99.8	102.0	102.3	99.9	100.8	99.4	102.5	103.3	99.5	100.4
1959	87.6	96.8	97.2	106.8	89.2	99.2	96.3	100.3	101.3	101.4	91.4	101.1	100.4	99.0	99.9	98.5	101.3	100.6
1960	103.2	100.6	96.9	100.6	91.0	96.8	99.9	102.0	105.0	99.5	90.5	103.2	101.8	98.8	100.0	100.0	101.3	100.7
1961	99.0	93.7	96.0	97.0	93.9	95.1	85.8	107.9	107.5	101.7	102.7	105.1	101.2	98.6	101.6	100.0	100.8	100.3
1962	95.2	97.7	97.7	103.2	94.1	97.8	90.2	119.2	106.9	98.0	97.3	107.6	102.2	99.0	102.7	100.6	100.8	100.6
1963	94.0	96.1	95.7	95.7	88.3	91.5	88.6	112.0	107.5	103.9	88.2	107.3	118.4	100.9	103.3	100.4	100.7	100.3
1964	90.8	103.2	94.3	90.5	88.3	89.0	87.4	107.4	107.8	104.8	89.7	107.8	111.8	106.2	103.1	100.8	101.2	100.5
1965	93.5	101.8	98.4	95.6	108.2	100.8	90.9	112.8	108.5	102.1	101.2	109.0	109.0	105.7	106.7	104.5	102.5	102.5
1966	107.9	102.5	105.6	104.1	117.5	109.9	97.3	127.2	118.5	104.8	104.6	115.4	110.5	105.8	113.0	110.7	104.7	105.9
January	99.8	97.5	104.5	101.0	130.9	113.6	95.3	124.5	110.9	104.7	99.5	111.8	109.4	105.8	111.5	108.9	103.5	104.6
February	116.3	98.0	107.4	104.4	131.2	116.0	99.1	123.2	113.0	105.2	102.5	112.1	110.1	105.7	113.0	110.8	103.8	105.4
March	118.5	101.7	106.8	108.3	117.4	112.8	103.6	126.7	115.0	104.8	103.0	112.2	109.7	105.7	112.2	110.9	104.0	105.4
April	101.8	111.0	106.4	109.4	109.7	110.5	99.7	126.5	114.8	104.8	102.5	112.6	109.3	105.7	111.5	110.2	104.3	105.5
May	86.9	103.3	104.5	104.8	116.8	109.8	102.9	126.9	114.9	105 4	101.9	113.0	109.3	105.7	111.8	109.1	104.7	105.6
June	90.9	99.7	104.2	102.8	115.8	108.6	102.5	127.2	116.5	104.9	101.9	114.0	109.4	106.1	112.0	109.6	104.9	105.7
July	98.5	107.0	107.8	101.3	119.0	108.5	102.3	129.7	119.8	104.5	103.8	115.5	109.8	106.3	113.8	110.9	105.2	106.4
August	108.6	97.7	108.1	104.1	120.6	110.5	98.9	129.5	124.0	102.3	108.7	118.9	110.9	106.4	115.7	112.4	105.2	106.8
September	128.0	110.4	108.7	106.5	120.8	111.9	97.5	131.4	124.2	103.7	110.4	118.9	111.4	105.6	115.5	114.0	105.2	106.8
October	114.7	97.9	104.4	103.5	113.8	108.0	89.0	131.3	124.5	105.7	108.2	118.7	111.6	105.6	113.9	111.3	105.3	106.2
November	121.8	104.2	102.5	100.5	105.7	103.4	91.8	125.0	122.6	105.9	106.8	118.7	112.1	105.6	112.6	110.6	105.5	105.9
December	109.0	101.3	101.8	102.0	108.8	104.9	84.7	125.0	122.3	105.8	106.3	118.0	112.6	105.8	112.8	109.8	105.5	105.9
1967 7/	84.3	101.6	99.7	105.8	105.1	105.4	86.0	125.2	122.0	107.2	102.0	117.1	113.0	106.5	111.7	108.6	106.3	106.1
January	100.0	101.8	102.6	103.0	108.1	105.0	89.0	129.1	121.8	105.9	106.3	117.6	113.0	105.8	112.8	109.5	105.8	106.2
February	84.0	104.5	101.0	101.9	103.2	102.8	95.9	131.0	121.2	104.3	103.5	117.3	112.6	105.9	111.7	108.5	106.0	106.0
March	90.8	98.4	99.6	100.9	97.7	100.4	90.3	127.0	120.7	104.2	101.8	117.5	112.5	105.6	110.6	107.3	106.0	105.7
April	77.0	99.6	97.6	101.7	94.0	99.3	87.3	128.0	120.1	104.3	101.6	117.2	111.8	105.9	110.0	106.4	106.0	105.3
May	74.5	104.4	100.7	102.4	106.0	103.8	86.5	125.7	120.8	105.1	101.6	117.4	112.0	106.0	110.7	107.8	106.0	105.8
June	76.0	114.3	102.4	107.2	113.7	109.5	86.8	124.8	122.2	106.5	101.6	117.2	112.7	106.3	112.6	110 3	106.0	106.3
July	86.0	107.9	102.8	109.0	116.8	111.2	91.4	120.0	122.0	107.0	101.3	116.9	113.7	106.4	113.1	110.7	106.0	106.5
August	82.1	96.6	99.1	109.2	110.0	109.5	84.2	117.4	122.1	107.1	101.0	116.8	113.8	106.6	112.1	108.8	106.3	106.1
September	93.1	92.2	98.4	111.9	111.5	110.8	83.6	120.3	122.8	107.9	102.0	116.6	113.8	106.7	112.7	109.3	106.5	106.2
October	76.8	91.6	97.1	108.6	102.0	105.8	83.2	123.1	123.0	109.3	101.8	116.8	113.9	107.3	111.7	107.5	106.8	106.1
November	80.7	102.9	96.4	106.7	97.2	103.2	77.0	126.3	123.0	112.0	101.5	117.0	113.9	107.4	110.9	108.0	107.1	106.2
December	90.9	105.0	98.9	106.6	100.8	104.1	77.3	130.2	124.1	113.1	100.2	116.9	112.7	107.7	111.5	109.1	107.4	106.8
	Seasonally adjusted																	
1967																		
January	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
February	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
March	87.8	95.4	99.2	---	---	---	---	---	121.1	104.0	100.2	117.7	113.0	105.9	111.0	---	---	---
April	86.4	92.0	97.3	---	---	---	---	---	120.8	103.9	101.1	117.1	111.4	106.1	110 8	---	---	---
May	89.3	98.4	101.5	---	---	---	---	---	122.4	105.0	101.9	117.8	112.3	106.1	111.6	---	---	---
June	87.4	110.4	103.9	---	---	---	---	---	123.4	106.2	102.5	117.4	113.5	106.2	113.1	---	---	---
July	92.6	104.5	101.9	---	---	---	---	---	122.5	106.8	102.1	116.3	114.5	106.3	112.4	---	---	---
August	78.2	101.5	98.8	---	---	---	---	---	122.2	109.0	102.6	117.0	114.1	106.3	112.2	---	---	---
September	81.7	96.3	97.6	---	---	---	---	---	122.0	109.0	103.6	116.8	114.1	106.7	112.4	---	---	---
October	70.6	97.0	97.7	---	---	---	---	---	122.3	109.1	102.5	116.8	113.8	107.4	111.3	---	---	---
November	71.8	103.7	96.8	---	---	---	---	---	121.9	111.4	101.2	116.7	113.9	107.5	111.1	---	---	---
December	85.2	110.2	100.0	---	---	---	---	---	122.9	112.7	100.4	116.9	112.5	107.7	111.5	---	---	---

1/ Includes potatoes. 2/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 3/ Includes alcoholic beverages. 4/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately, 5/ All food includes all processed foods (omitting alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 6/ Formerly titled "All commodities other than farm products and processed foods." Prior to 1967, includes manufactured animal feeds and alcoholic beverages. 7/ Annual average computed by Economic Research Service.
Bureau of Labor Statistics.

Table 13.--Retail price indexes and Consumer Price Index, selected periods
(1957-59=100)

Year and month	Food at home																	Food away from home	All food	Consumer Price Index
	Meats						Dairy products 3/	Fats and oils 4/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total					
	Beef and veal	Pork	Total 1/	Poultry 2/	Fish	Eggs			Fresh	Processed	Total									
1935-39	36.5	43.2	37.8	68.7	28.9	60.3	45.9	65.4	37.3	50.2	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7		
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5		
1950	97.0	87.8	91.4	126.1	89.0	104.7	84.7	94.2	76.6	81.7	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8		
1951	113.3	93.1	103.6	132.1	101.6	127.4	94.5	110.3	83.1	92.4	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5		
1952	112.4	92.1	102.6	132.6	99.0	116.3	98.5	93.5	96.6	91.0	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5		
1953	88.6	102.5	95.8	129.3	95.3	123.2	96.8	93.9	91.1	93.2	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2		
1954	85.3	105.7	95.3	116.7	95.8	103.1	93.7	98.9	89.3	92.6	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6		
1955	84.4	91.0	87.7	121.5	93.9	106.5	93.6	95.9	91.0	93.4	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3		
1956	83.1	86.4	84.8	106.5	93.8	105.9	96.0	98.0	96.3	96.3	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7		
1957	89.2	99.5	94.2	103.8	95.0	100.9	98.8	102.4	97.0	94.2	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0		
1958	103.8	106.1	104.9	102.6	101.6	106.1	100.3	101.2	104.0	100.8	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7		
1959	106.9	94.4	101.0	93.5	103.4	92.9	101.0	96.5	99.1	105.0	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5		
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1		
1961	102.5	98.2	100.5	85.8	105.8	100.1	104.8	98.6	103.5	105.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2		
1962	106.2	99.1	102.5	90.7	110.2	94.6	104.1	98.5	106.3	102.6	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4		
1963	105.0	96.6	100.9	89.3	110.0	96.0	103.8	95.7	112.6	108.3	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7		
1964 6/	101.9	96.1	99.4	87.3	107.4	95.0	104.7	95.4	119.2	110.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1		
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.9	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	109.9		
1966	112.4	125.1	116.8	94.9	117.8	105.7	111.8	107.2	123.9	109.9	117.6	115.8	111.3	100.0	112.6	123.2	114.2	113.1		
1967	113.1	114.8	113.8	88.9	121.8	88.4	116.7	106.5	124.3	109.2	117.5	118.5	114.7	99.1	112.3	129.3	115.2	116.3		
1966																				
July	112.2	125.0	116.6	97.1	118.5	93.9	111.0	106.8	131.2	109.6	121.5	114.8	110.7	100.8	112.7	123.5	114.3	113.3		
Aug.	112.3	125.9	116.9	96.5	119.6	110.5	114.8	107.5	132.4	109.6	122.3	117.3	110.9	100.9	114.4	124.0	115.8	113.8		
Sept.	112.7	126.4	117.2	95.9	120.3	111.8	116.0	108.5	122.5	109.4	116.6	118.4	111.3	100.6	114.0	124.6	115.6	114.1		
Oct.	112.8	123.8	116.6	92.3	120.2	116.1	117.1	110.3	120.6	109.0	115.3	118.3	111.5	99.8	113.8	125.2	115.6	114.5		
Nov.	111.4	119.1	114.5	89.8	121.1	107.9	116.7	110.1	120.0	108.8	114.9	118.6	112.7	99.5	112.8	125.7	114.8	114.6		
Dec.	111.9	114.9	113.4	89.2	121.9	111.9	116.5	110.2	118.9	109.0	114.3	118.8	113.3	99.7	112.6	126.3	114.8	114.7		
1967																				
July	113.3	119.2	115.1	90.1	121.2	79.2	116.4	105.7	137.5	108.0	124.4	118.2	115.0	98.9	113.3	129.7	116.0	116.5		
Aug.	114.1	120.4	116.1	90.1	121.4	92.3	116.6	105.7	133.9	108.8	122.7	118.4	115.2	99.1	113.9	130.3	116.6	116.9		
Sept.	115.5	118.7	116.3	90.8	112.2	89.9	117.3	105.7	120.4	110.0	115.6	118.4	115.5	99.1	112.9	130.8	115.9	117.1		
Oct.	115.5	116.6	115.6	87.4	121.0	89.9	117.9	105.5	119.2	110.9	115.3	118.2	115.6	98.8	112.6	131.4	115.7	117.5		
Nov.	115.5	113.3	114.5	86.7	121.1	83.7	117.8	105.4	120.3	112.6	116.7	118.4	115.9	99.2	112.3	132.0	115.6	117.8		
Dec.	115.7	111.4	114.1	87.4	122.0	88.1	118.1	105.2	124.4	113.9	119.6	118.4	116.2	99.0	112.9	132.4	116.2	118.2		
	Seasonally adjusted 7/																			
1966																				
Jan.	108.5	132.8	116.8	90.3	111.6	101.1	105.9	---	116.7	---	113.9	---	---	---	110.0	---	111.6	---		
Feb.	110.7	135.4	119.4	97.8	112.4	106.4	106.7	---	123.4	---	117.7	---	---	---	111.8	---	113.1	---		
Mar.	114.1	135.4	121.3	100.0	114.7	111.4	108.0	---	122.9	---	117.4	---	---	---	112.9	---	114.2	---		
Apr.	116.0	128.9	119.9	100.9	116.0	109.9	109.4	---	123.8	---	117.7	---	---	---	113.2	---	114.3	---		
May	114.7	125.2	118.7	98.7	118.1	109.2	110.2	---	120.1	---	115.3	---	---	---	112.6	---	114.0	---		
June	115.2	126.2	118.7	96.3	118.1	100.9	110.7	---	121.4	---	115.8	---	---	---	112.4	---	114.0	---		
July	113.3	122.3	116.3	97.2	118.7	101.6	111.6	---	118.4	---	113.9	---	---	---	111.3	---	113.2	---		
Aug.	112.0	120.7	114.9	98.0	120.0	113.4	114.9	---	131.0	---	121.4	---	---	---	113.9	---	115.5	---		
Sept.	111.6	120.3	114.5	96.5	120.9	101.9	115.8	---	129.2	---	121.0	---	---	---	113.7	---	115.3	---		
Oct.	111.6	121.3	115.0	93.2	120.8	107.0	116.5	---	129.7	---	120.9	---	---	---	114.0	---	115.8	---		
Nov.	110.8	119.2	114.0	89.8	121.3	102.4	116.1	---	127.7	---	119.6	---	---	---	113.4	---	115.3	---		
Dec.	111.5	115.6	113.5	90.3	122.1	105.5	115.9	---	124.6	---	117.6	---	---	---	113.1	---	115.3	---		
1967																				
Jan.	110.6	115.1	112.7	86.9	122.6	103.4	115.8	---	126.4	---	118.5	---	---	----	112.5	---	114.9	---		
Feb.	111.5	114.3	112.8	88.5	121.4	88.8	115.9	---	120.0	---	114.4	---	---	---	111.4	---	114.0	---		
Mar.	111.4	113.8	112.8	88.1	122.7	93.3	115.6	---	120.9	---	114.7	---	---	---	111.6	---	114.3	---		
Apr.	111.1	113.7	112.1	88.4	122.7	88.5	116.3	---	116.6	---	112.1	---	---	---	110.9	---	113.9	---		
May	111.0	113.8	112.3	90.6	122.3	90.1	116.6	---	119.5	---	113.5	---	---	---	111.5	---	114.5	---		
June	114.9	120.6	116.6	85.6	121.1	89.6	117.4	---	121.6	---	115.1	---	---	---	112.6	---	115.3	---		
July	114.3	117.4	115.2	88.4	121.3	86.4	117.0	---	123.2	---	116.0	---	---	---	112.0	---	115.0	---		
Aug.	114.2	115.8	115.0	89.4	121.6	95.2	116.6	---	130.1	---	120.6	---	---	---	112.9	---	115.8	---		
Sept.	113.8	113.2	113.6	90.2	121.4	83.2	117.1	---	127.1	---	119.7	---	---	---	112.5	---	115.6	---		
Oct.	114.1	113.5	113.9	87.8	121.5	82.4	117.3	---	127.9	---	120.5	---	---	---	112.7	---	115.8	---		
Nov.	115.0	113.2	114.2	87.8	121.3	79.6	117.0	---	127.7	---	121.1	---	---	---	112.9	---	116.1	---		
Dec.	115.4	112.8	114.4	89.0	122.1	82.1	117.4	---	131.2	---	123.4	---	---	---	113.4	---	116.5	---		

1/ Beef, veal, lamb and mutton, pork, and processed meat. 2/ Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. 3/ Includes butter. 4/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 5/ Data not collected prior to 1953. 6/ Revised beginning January 1964; for first time item selection and quantity weights reflect the buying pattern of one-person families. 7/ Discussed in "Seasonally Adjusted Retail Food Price Indexes," by Stephen J. Hiemstra. National Food Situation, NFS-117, August 1966 (Reprinted as ERS-311.)

Bureau of Labor Statistics.

The next issue of the National Food Situation is scheduled to be available May 15, 1968.

The summary is scheduled to be released to the press immediately after the Outlook and Situation Board meeting May 9, 1968.

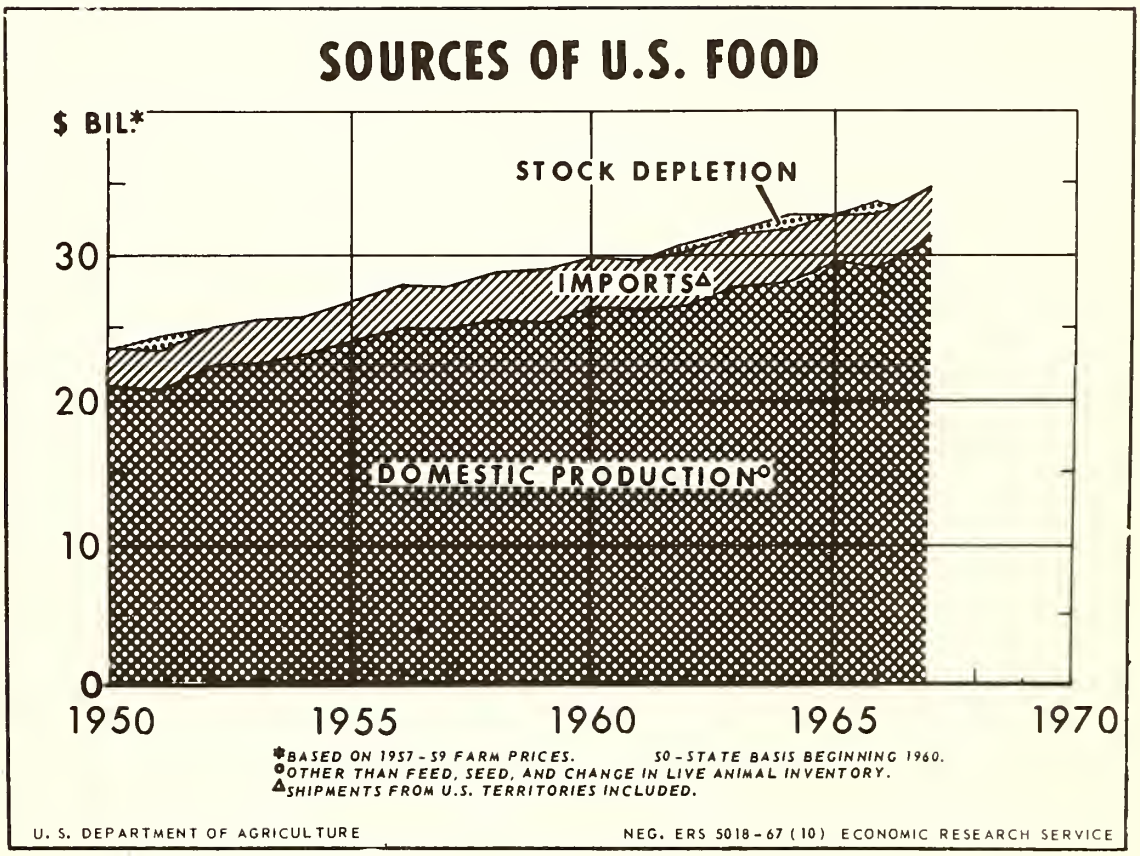
SOURCES OF U.S. FOOD
$ BIL.*
STOCK DEPLETION
IMPORTS△
DOMESTIC PRODUCTION°
30
20
10
0
1950
1955
1960
1965
1970
*BASED ON 1957-59 FARM PRICES. 50-STATE BASIS BEGINNING 1960.
°OTHER THAN FEED, SEED, AND CHANGE IN LIVE ANIMAL INVENTORY.
△SHIPMENTS FROM U.S. TERRITORIES INCLUDED.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 5018-67 (10) ECONOMIC RESEARCH SERVICE

Figure 9

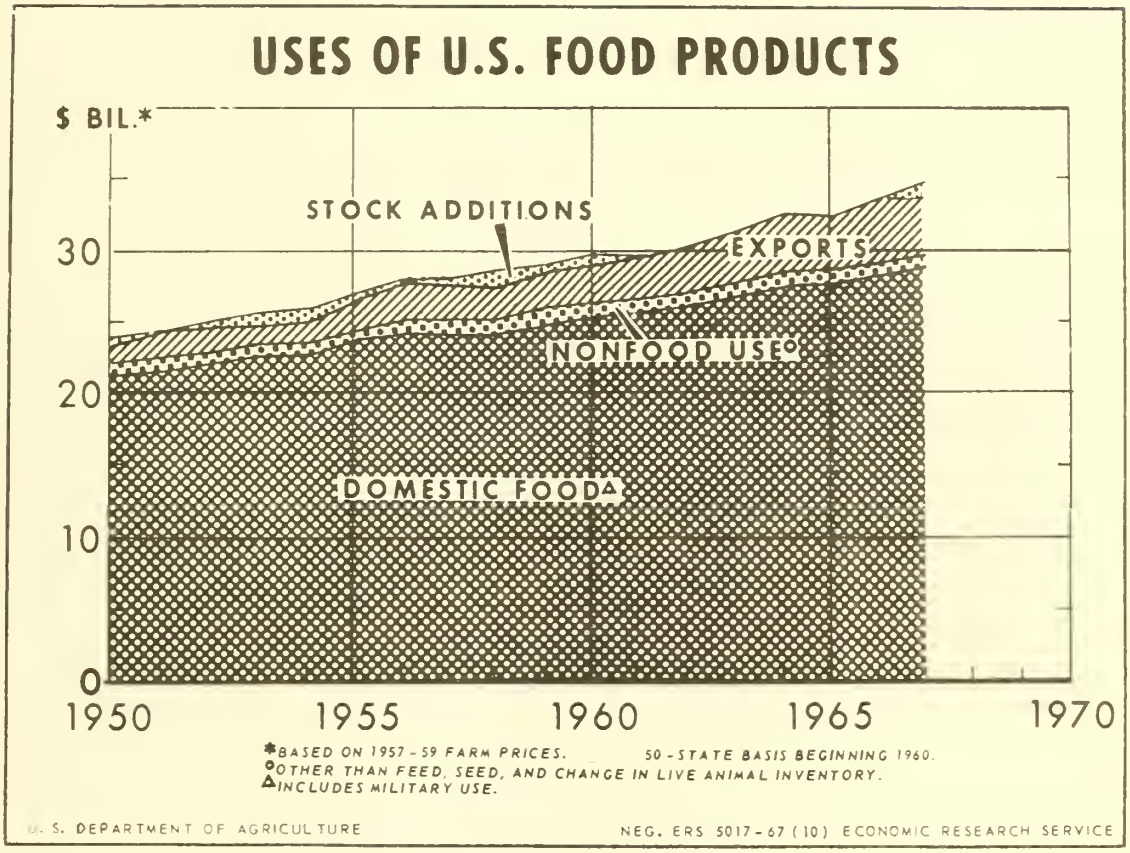
USES OF U.S. FOOD PRODUCTS
$ BIL.*
30
20
10
0
1950
1955
1960
1965
1970
STOCK ADDITIONS
EXPORTS
NONFOOD USE°
DOMESTIC FOOD△
*BASED ON 1957-59 FARM PRICES.
50-STATE BASIS BEGINNING 1960.
°OTHER THAN FEED, SEED, AND CHANGE IN LIVE ANIMAL INVENTORY.
△INCLUDES MILITARY USE.
U. S. DEPARTMENT OF AGRICULTURE
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Figure 10

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POSTAGE AND FEES PAID
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NFS-123 - The National Food Situation

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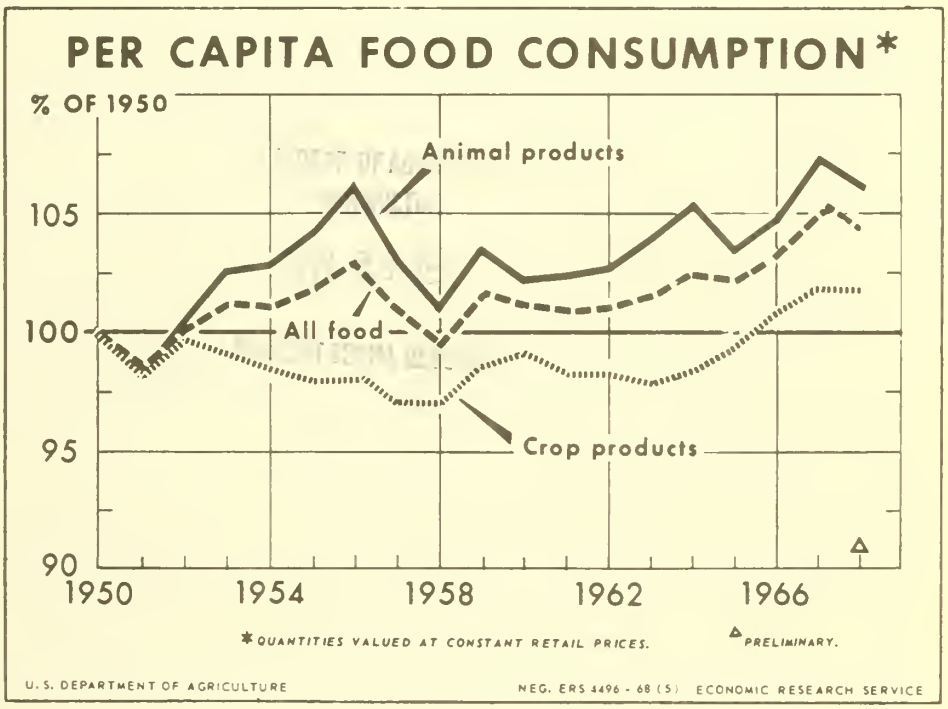
NATIONAL FOOD SITUATION

NFS-124

MAY 1968

Per capita food consumption may decline slightly this year, following a 2-percent increase in 1967. This year's prospective decline is due to lower use of animal products.

Food consumption this year is expected to top that in 1957-59 by 4 percent per capita. Both animal and crop products are up by about the same percentage. But since 1950, animal products are up more than crop products. The early 1950s experienced a rapid upturn in use of animal products, but a decline in use of crop products. Use of animal products has fluctuated more than crop products over this period because of livestock production cycles.



IN THIS ISSUE

Military Food Consumption

Importance of Foreign Trade

Published quarterly by
ECONOMIC RESEARCH SERVICE ● U.S. DEPARTMENT OF AGRICULTURE

Table 1.--Volume of farm marketings and home consumption 1/
(1957-59=100)

Item	1947-49 average	1961	1962	1963	1964	1965	1966	1967	1968 indications 2/	1968 as a percentage of 1947-49	1968 as a percentage of 1967
										Percent	Percent
Marketings and home consumption of all farm commodities	86	108	109	114	116	116	118	121	123	143	102
Food marketings and home consumption	87	107	107	111	113	115	117	121	120	138	99
Food marketings	82	109	109	113	116	118	120	124	124	151	100
Total food livestock 3/	79	108	110	114	118	118	121	124	124	157	100
Meat animals	81	108	110	116	121	121	124	127	129	159	102
Poultry and eggs	66	113	113	116	121	126	134	141	138	209	98
Dairy products	84	106	107	107	110	108	105	105	104	124	99
Total food crops 4/	98	110	107	110	110	116	118	127	125	128	98
Food grains 5/	102	114	102	111	109	120	122	140	144	141	103
Vegetables 6/	91	109	110	110	107	108	112	114	116	127	102
Fruit and nuts 7/	92	103	107	101	106	112	114	115	98	107	85
Sugar crops	78	115	117	152	155	144	140	138	157	201	114
Home consumption	161	81	75	73	66	60	55	51	49	30	96
Livestock	159	75	73	69	63	56	52	49	48	30	98
Crops	168	94	80	83	73	70	62	58	56	33	97
Nonfood marketings 8/	82	110	116	125	125	120	121	122	129	157	106

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years. Excludes Alaska and Hawaii. 2/ Indications for 1968 are based on calendar-year quantities estimated as of April 1, 1968. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn, and spearmint. 5/ Wheat, rye, rice, and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans, and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 2.--Food consumption per capita 1/
(1957-59=100)

Selectad years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits 2/			Vegetables 3/			Potatoes and sweetpotatoes	Cereal products	Sugar and sweeteners	Coffee, tea and cocoa	All food		
							Fresh	Processed	Total	Fresh	Processed	Total					Animal products	Crops 4/	Total
1910	96	49	107	82	70	101	148	14	80	114	24	85	208	149	54	65	87.2	87.0	86.9
1920	90	45	113	81	80	91	154	31	92	119	30	90	163	129	63	79	85.4	87.7	86.2
1930	85	52	97	89	83	113	145	35	89	126	47	100	138	131	85	81	86.3	95.7	89.9
1940	93	52	102	86	87	115	153	57	105	130	57	107	127	120	86	101	91.0	100.7	94.8
1941	94	56	108	84	90	116	161	53	107	129	61	107	134	121	94	104	92.3	103.6	96.7
1942	93	63	84	84	96	112	137	52	94	134	67	112	136	122	83	86	93.5	99.2	95.6
1943	98	78	75	92	96	97	122	45	84	139	61	114	137	135	77	81	96.2	98.7	97.0
1944	103	70	84	94	98	96	146	45	95	147	61	119	145	124	84	96	98.4	103.0	100.1
1945	97	76	94	107	104	91	144	57	101	150	74	126	129	130	69	100	99.4	104.0	101.0
1946	102	70	101	101	110	91	144	78	111	139	83	121	128	128	74	122	101.6	106.6	103.5
1947	102	64	96	104	104	97	149	67	108	127	76	111	126	115	94	108	100.0	103.8	101.4
1948	95	63	101	106	100	95	138	69	104	125	72	108	105	114	89	112	96.0	101.7	98.1
1949	95	67	102	105	99	98	135	73	104	118	75	104	109	113	91	115	96.1	101.5	98.1
1950	95	73	111	108	99	104	120	79	100	114	81	104	105	112	101	103	97.6	102.5	99.4
1951	90	77	106	109	99	94	125	78	102	111	84	103	105	115	94	105	95.8	100.8	97.6
1952	95	80	105	109	100	97	120	88	104	108	88	103	95	113	98	105	98.1	102.1	99.5
1953	102	79	103	106	99	98	113	90	102	106	91	102	100	110	97	107	100.0	101.6	100.5
1954	101	84	104	105	100	102	108	91	101	104	90	100	100	108	99	95	100.2	100.9	100.4
1955	106	79	97	104	101	103	102	98	100	104	96	102	101	102	100	96	101.7	100.4	101.1
1956	108	88	98	103	102	101	103	100	102	103	98	102	97	101	101	101	103.6	100.6	102.3
1957	102	94	97	102	101	99	101	103	102	102	98	101	98	99	98	100	100.6	99.6	100.2
1958	97	101	98	99	100	100	98	97	97	99	101	100	97	101	101	98	98.5	99.4	98.9
1959	101	105	105	99	100	101	101	100	101	98	101	99	105	100	101	102	100.9	101.0	101.0
1960 5/	102	102	98	94	99	99	97	102	99	100	103	101	109	100	102	101	99.6	101.5	100.5
1961	101	112	102	92	97	99	93	99	96	98	104	99	111	99	102	102	99.7	100.7	100.1
1962	102	110	101	92	98	100	89	103	95	95	109	99	113	98	103	103	100.1	100.8	100.4
1963	105	112	102	89	98	101	80	94	87	94	109	99	118	97	103	106	101.3	100.2	100.8
1964	108	114	99	89	98	103	85	91	88	93	111	98	121	98	103	103	102.8	100.7	101.8
1965	104	122	103	88	98	102	87	96	92	93	116	99	127	98	103	100	100.9	102.0	101.4
1966	106	131	100	88	98	102	87	97	92	93	119	101	139	96	104	100	102.2	103.1	102.6
1967 6/	110	137	100	91	97	103	88	107	97	94	123	102	136	96	104	100	104.5	104.2	104.4
1968 7/	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	103.6	104.2	103.8

1/ Civilian consumption, beginning 1941. Individual food items are combined in terms of 1947-49 retail prices through 1954, 1957-59 retail prices thereafter; indexes are linked at 1955. 2/ Excluding melons and baby food. 3/ Excluding soups, baby food, dry beans and peas, potatoes, and sweetpotatoes. 4/ Including melons, dry beans and peas, nuts, soups, and baby food in addition to groups shown separately. 5/ 50-State basis beginning 1960. 6/ Preliminary. 7/ Preliminary indications.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, May 9, 1968

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Food supply and consumption	14		

SUMMARY*

Demand for food advanced strongly during first-quarter 1968. Food expenditures rose to an annual rate of $101 billion, up 3 percent from the previous quarter and 6 percent from a year earlier. Sales by retail food stores and eating and drinking places have expanded sharply in recent months. Increased spending for food and other consumer goods and services accompanied a large expansion in consumer income.

The surge in the economy is continuing into the second quarter. Advancing incomes are supporting a strong demand for food. For the year, food expenditures are expected to total 5 or 6 percent more than in 1967. This rate of increase is somewhat less than the gain anticipated in disposable consumer income. Last year, about 14 percent of income was spent for food at home and 3½ percent for food consumed away from home; little change from these percentages is likely in 1968.

Retail food prices in first-quarter 1968 increased 1½ percent over fourth-quarter 1967, following a small decline from the third quarter. First-quarter 1968 prices averaged 2½ percent above a year earlier, with prices for food away from home up 4½ percent. The rise in retail prices in the first quarter accompanied higher wholesale prices and increased prices received by farmers. The farm-retail marketing spread averaged the same, while the farm price of food advanced 4 percent from the previous quarter.

Retail food prices likely will continue to advance into the summer. Higher average prices for farm products and widening farm-retail spreads are expected. For the year, retail prices for food at home may average around 3 percent above a year earlier. Prices for food in restaurants likely will average 4 to 5 percent higher.

Much of the increase in food prices in the first quarter was due to higher prices for fruits and fresh vegetables because of smaller supplies of these products. Prices for fruit likely will continue strong into the summer months, but vegetable prices may weaken. Prices for livestock products rose slightly in the first quarter and may continue to advance in coming months. Some of the anticipated

* The summary of this report and a summary table were released to the press on May 9.

increase is seasonal, but per capita supplies are expected to continue lower. In the first quarter, prices for several foods were below year-earlier levels and likely will continue relatively low for the year. These foods include eggs, bread and other cereal and bakery products, fats and oil products, and coffee.

Overall output of food commodities in 1968 may fall a little short of record levels in 1967. Imports probably will add about the same amount to domestic supplies as in recent years. Increased demand is expected to result in some rise in total utilization of food commodities this year, but likely will not match the 1967 rate of gain. Per capita civilian food consumption is expected to drop slightly, so only a small increase in total consumption is expected. In addition, larger food procurement by the military and larger exports of food commodities are expected to add to total utilization.

The decline in per capita food consumption anticipated this year would be primarily among the livestock products, which are expected to average 1 percent lower. Smaller per capita consumption is likely for fresh fruit, veal, lamb, eggs, turkey, fluid milk and cream, and possibly pork. Increased consumption is likely for cheese, processed vegetables and potatoes, confectionery, and soft drinks. Little change is likely for most other foods.

DEMAND FOR FOOD

Expanding Overall Demand

Consumer income rose 7 percent in 1967, but total personal consumption expenditures gained only 5½ percent. This divergence resulted in substantial additions to savings and only a small growth in volume of sales of consumer goods and services.

These trends reversed in the first quarter of 1968. Consumer income accelerated, due partly to rising wage rates and larger Social Security benefits. Consumers stepped up purchases even more rapidly than incomes. Installment credit was expanded and the rate of savings shrank. As a result, retail sales climbed sharply for the first time in 2 years (fig. 1). Price increases accounted for a large part of the sales gain, although the volume of shipments also was up significantly.

The economy is continuing buoyant into the second quarter. Price gains likely will continue to account for a good share of the increase in final sales. Industrial production likely will continue high in meeting both current demands and for inventory accumulation. The economy is expected to expand throughout the year, but probably not at the rate of recent months.

Food Expenditures Up

Food expenditures reached an annual rate of $101 billion in first-quarter 1968, up 3 percent from the previous quarter and 6 percent from first-quarter 1967. They accounted for 17½ percent of disposable personal income. Sales by food stores in

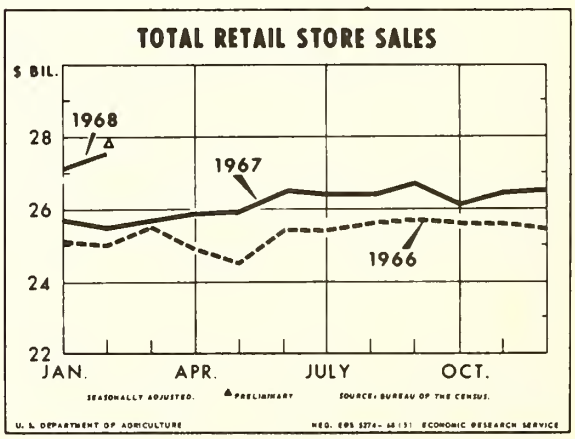

Figure 1

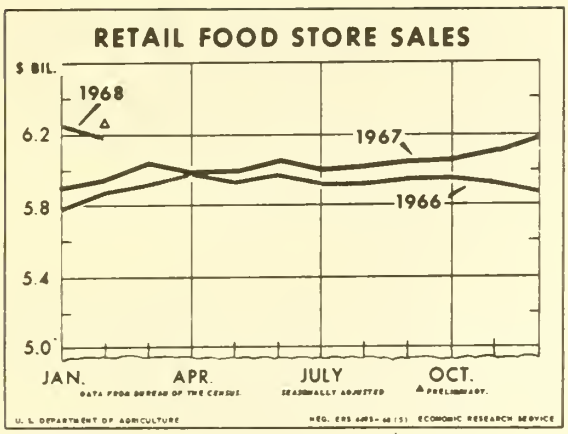

Figure 2

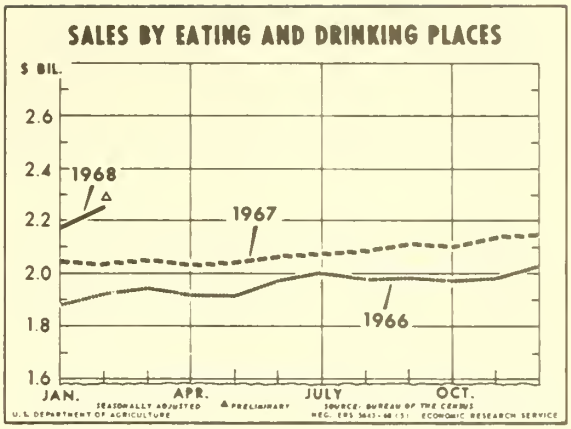

Figure 3

recent weeks have been running well above a year earlier. In the first 2 months, they averaged 5 percent larger (fig. 2). Sales by eating and drinking places also expanded significantly, up 9 percent so far this year (fig. 3). Sales of other consumer goods have been strong--paced by department store and automotive sales, which were each a tenth above a year earlier in January-February.

Costs of processing and marketing inputs continued to rise into first-quarter 1968. Hourly earnings of employees in food marketing (manufacturing, wholesaling, and retailing) firms in first-quarter 1968 were nearly 3 percent above the previous quarter and 5 percent above first-quarter 1967. These gains represent an acceleration from annual rates of 3 to 4 percent per year that have typified recent years.

Manufacturers' shipments of food and kindred products jumped dramatically in the fourth quarter of 1967. Although shipments declined in the first quarter, they continued 7 to 8 percent above a year earlier in January and February on a seasonally adjusted basis. Industrial production of food and beverages was about 2 percent larger than a year earlier during the fourth quarter. Inventory levels were only maintained. The inventory-sales ratio declined to a record low level at the end of December and continued low into the first quarter.

Food expenditures likely will continue to advance through 1968, although the rate of increase is not expected to match the big gain in the first quarter. For the year, consumer expenditures for food likely will rise 5 percent or more above the $96.4 billion in 1967. This rate of increase is somewhat smaller than that expected for disposable income. Consequently, some fractional decline in the percentage of income spent for food is expected this year. The bulk of the expenditure gain in 1968 likely will be due to higher food prices. Some increase will be associated with the 1-percent rise in population and trend toward the purchase of more expensive foods.

Consumers Spent $96 Billion for Food in 1967

Personal expenditures for food totaled $96 billion in 1967. Of this, about $77 billion was spent for food used at home and $19½ billion for food consumed away from home (table 3). These expenditures

for food do not include alcoholic beverages. Nor do they include nonconsumer purchases (such as business spending for meals during business travel).1/ Personal expenditures for food accounted for 17.7 percent of disposable income in 1967, down from 20 percent in 1960.

About 14 percent of consumer income in 1967 was spent for food at home, and 3½ percent went for food consumed away from home. Most of the decline in the overall percentage of income spent for food in recent years has been for food used at home with little change in the proportion of income spent by consumers for food away from home. The consumer market for food away from home is expanding slightly more rapidly than for food to be used at home. In addition, business spending for meals is adding to the away-from-home market, judging from the sales growth rate of eating and drinking places.

Consumer Spending Since 1950

The decline in proportion of income spent for food since 1950 has coincided with consumers spending relatively more of their incomes for other goods and services. Spending on total nondurable goods dropped from 47 to 40 percent of income between 1950 and 1967 (table 4). More than one-half of this drop was due to food. Other nondurable goods for which spending also dropped over this period included alcoholic beverages and clothing. An exception was expenditures for gasoline and oil. Although spending on durable goods remained relatively constant as a proportion of income, spending on services increased substantially. By 1967, the proportion of income going for services almost matched that going for nondurable goods. Within the services group, spending on housing and personal services--which include medical care--rose a third faster than income since 1950. Transportation services was the only major services group for which the proportion of income declined slightly.

Interest payments by consumers increased at twice the rate of income since 1950. This increase--from 1.2 percent to 2.5 percent of income--has been due both to increased borrowing and sharply higher interest rates. The savings rate also was higher in 1967 than in 1950, but it varied significantly over the period.

U.S. Food Expenditures Relatively Low

Expenditures for food in the United States are smaller than in any other major country relative to total consumer expenditures (table 5). About 19.5 percent of total expenditures was spent for food in the United States in 1965. This was 1 percent lower than in Canada, 2 percent below Denmark, and 3 percent under Australia--the 3 countries nearest to the United States. Food expenditures in most Western European countries ranged from about one-fourth to two-fifths of total consumer expenditures. These percentages are even higher in many countries of Africa, Asia, and Latin America. However, these comparisons lose meaning in countries with subsistence agriculture or where income is roughly estimated.

Food expenditures as a proportion of total expenditures have declined over the past decade in most countries for which data are available. This trend suggests

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1/ A survey of the food service industry conducted by ERS in cooperation with the food industry indicated a retail value of food of $28 billion in 1965. Of this total, $6 billion primarily represented use by the military and for school lunches; $18.5 billion represented sales by public eating places; and $3.4 billion, use by institutional establishments. See M. G. Van Dress and W. H. Freund, "Dimensions of the Food Service Industry," Marketing and Transportation Situation, May 1968 (MTS-169) and The Food Service Industry: Its Structure and Characteristics, 1966, Statistical Bulletin No. 416, February 1968.

Table 3 .--Expenditures for food at home and away from home in relation to disposable income, 1960-67

Year	Disposable personal income	Personal consumption expenditures for food 1/					
		For use at home 2/		Away from home 3/		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	Bil. dol.	Pct.	Bil. dol.	Pct.	Bil. dol.	Pct.
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1961	364.4	58.5	16.1	13.6	3.7	72.1	19.8
1962	385.3	60.3	15.6	14.1	3.7	74.4	19.3
1963	404.6	61.9	15.3	14.6	3.6	76.5	18.9
1964	438.1	65.0	14.9	15.5	3.5	80.5	18.4
1965	472.2	69.5	14.7	16.5	3.5	86.0	18.2
1966	508.8	74.8	14.7	18.2	3.6	93.0	18.3
1967 4/	544.7	77.0	14.1	19.4	3.6	96.4	17.7

1/ Omits alcoholic beverages and nonpersonal spending for food such as business expense account purchases of meals, food furnished inmates of private hospitals and institutions, and food included with transportation tickets and camp fees.

2/ Includes food consumed on farms where produced.

3/ Includes food served to the military and employees of hospitals, prisons, and food service establishments.

4/ Preliminary.

Source: Derived from data of Department of Commerce, Survey of Current Business and The National Income and Product Accounts of the United States, 1929-65, assuming one-fourth of purchased meals and beverages to be alcoholic beverages and the balance of reported alcoholic beverages to be for off-premise use.

Table 4.--Disposition of disposable personal income, 1950-67 1/

Year	Disposable personal income	Interest paid by consumers	Transfer payments to foreigners 2/	Personal savings	Personal consumption expenditures															
					Total	Durable				Nondurable						Services				
						Total	Automobiles and parts	Furniture and household equipment	Other 3/	Total	Food	Alcoholic beverages	Clothing and shoes	Gasoline and oil	Other 4/	Total	Housing 5/	Household operations	Transportation	Other 6/
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1950	100.0	1.2	.2	6.3	92.3	14.7	6.3	6.8	1.6	47.4	22.2	3.8	9.5	2.6	9.3	30.2	10.3	4.6	3.0	12.3
1951	100.0	1.2	.2	7.6	91.0	13.1	5.1	6.4	1.6	48.0	23.0	3.6	9.4	2.7	9.3	30.0	10.5	4.6	3.0	11.9
1952	100.0	1.3	.2	7.6	90.9	12.3	4.7	6.0	1.6	47.8	23.0	3.7	9.2	2.9	9.1	30.8	11.1	4.7	3.0	12.0
1953	100.0	1.5	.2	7.2	91.1	13.1	5.6	5.9	1.6	46.2	22.0	3.5	8.7	3.0	9.0	31.6	11.6	4.8	3.1	12.2
1954	100.0	1.6	.2	6.4	91.9	12.7	5.3	5.8	1.6	46.0	22.0	3.5	8.6	3.2	8.8	33.2	12.3	4.9	3.1	12.9
1955	100.0	1.7	.2	5.7	92.4	14.4	6.7	6.0	1.7	44.8	21.1	3.3	8.4	3.3	8.7	33.2	12.2	5.1	3.0	12.9
1956	100.0	1.8	.2	7.0	91.0	13.3	5.6	6.0	1.7	44.1	20.6	3.2	8.2	3.3	8.7	33.6	12.3	5.2	2.9	13.2
1957	100.0	1.9	.2	6.7	91.2	13.2	5.9	5.6	1.7	44.0	20.7	3.1	7.9	3.4	8.8	34.0	12.5	5.3	2.9	13.4
1958	100.0	1.7	.2	7.0	91.0	11.9	4.8	5.4	1.7	44.0	20.9	3.1	7.7	3.5	8.8	35.1	12.9	5.4	2.9	13.9
1959	100.0	1.9	.2	5.6	92.3	13.1	5.8	5.6	1.7	43.5	20.3	3.0	7.8	3.4	8.9	35.7	13.0	5.5	3.0	14.2
1960	100.0	2.1	.1	4.9	92.9	12.9	5.7	5.4	1.8	43.2	20.0	3.0	7.8	3.5	8.9	36.8	13.2	5.7	3.1	14.7
1961	100.0	2.1	.1	5.8	92.0	12.1	5.0	5.3	1.8	42.8	19.8	3.0	7.7	3.4	9.0	37.1	13.4	5.7	2.9	15.1
1962	100.0	2.1	.1	5.6	92.2	12.8	5.7	5.3	1.8	42.2	19.3	2.9	7.7	3.3	8.9	37.1	13.5	5.7	2.9	15.1
1963	100.0	2.2	.1	4.9	92.7	13.3	6.0	5.5	1.9	41.7	18.9	2.9	7.6	3.3	9.0	37.7	13.7	5.7	2.8	15.4
1964	100.0	2.3	.1	6.0	91.6	13.5	5.9	5.7	1.9	40.8	18.4	2.8	7.6	3.2	8.7	37.3	13.5	5.5	2.6	15.5
1965	100.0	2.4	.1	5.8	91.7	14.0	6.3	5.7	1.9	40.5	18.2	2.8	7.6	3.2	8.7	37.3	13.5	5.4	2.7	15.7
1966	100.0	2.4	.1	5.9	91.6	13.8	5.9	5.9	2.1	40.8	18.3	2.7	7.9	3.2	8.7	37.0	13.2	5.3	2.7	15.8
1967	100.0	2.5	.1	7.1	90.3	13.2	5.4	5.9	2.0	39.9	17.7	2.6	7.9	3.2	8.6	37.1	13.1	5.2	2.7	16.1

1/ Derived from Personal Income and Outlay data of U.S. Department of Commerce. May not add precisely to totals shown because of rounding. Disposable personal income includes wages and salaries, other labor income, proprietors' income, rental income, dividends, interest income, and public or private insurance benefits less personal contributions for social insurance and personal tax and nontax payments.

2/ Personal gift of goods or money to foreigners.

3/ Includes wheel goods, durable toys, sports equipment, boats and pleasure aircraft.

4/ Tobacco products, toilet articles, semidurable house furnishings, paper products, fuel and ice, drugs and nondurable toys, and sport supplies.

5/ Includes space-rental value of owner-occupied dwellings.

6/ Includes medical care services, clothing and shoe cleaning and repair, barbershop, beauty parlor, admission to spectator amusements, and service furnished without payment by intermediaries.

Table 5.--Expenditures for food as a proportion of private consumption expenditures, by countries, 1955 and 1960-65 1/

Country	1955	1960	1961	1962	1963	1964	1965
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
North America							
Canada	23.1	23.0	22.5	22.3	21.9	21.2	20.7
United States 2/	22.6	21.3	21.2	20.7	20.2	19.8	19.5
Latin America							
Dominican Republic	50.2	49.6	48.4	43.9	47.4	47.9	---
Honduras	49.9	43.7	43.8	43.2	42.5	---	---
Jamaica	40.6	36.5	36.2	35.2	33.8	32.5	32.4
Panama	3/42.1	40.2	44.8	40.6	42.4	42.3	41.1
Puerto Rico	33.0	28.7	26.7	26.4	25.2	24.9	24.3
Western Europe							
Austria	38.5	34.1	33.0	33.0	31.4	30.5	30.4
Belgium	29.1	27.5	27.4	27.7	26.8	25.8	26.0
Denmark	27.6	23.4	22.4	21.9	22.5	21.6	21.9
Finland	34.0	33.3	32.0	30.8	30.8	30.4	30.0
France	3/34.0	31.6	31.0	30.8	30.3	29.6	29.3
Germany, Federal Republic of 6/	3/40.7	37.9	37.1	36.6	35.7	35.0	34.6
Greece	3/48.9	41.6	41.8	40.2	41.2	39.9	40.1
Ireland	38.3	36.4	35.4	34.6	33.3	33.5	33.7
Italy	41.0	39.9	39.5	38.9	38.6	38.2	38.9
Malta	43.6	38.2	38.4	41.9	40.2	39.0	38.4
Netherlands	33.7	31.0	31.0	30.2	29.8	29.4	29.1
Norway	31.6	30.0	28.9	29.8	28.2	28.9	28.5
Spain	34.3	37.5	36.9	36.6	37.4	36.5	---
Sweden	30.0	27.3	26.5	27.0	26.7	26.1	25.5
United Kingdom 2/	31.3	28.4	27.9	27.6	26.8	26.3	25.6
Eastern Europe							
Bulgaria 4/	---	58.7	60.1	59.8	59.3	57.0	57.6
Hungary	---	38.9	39.3	38.6	37.3	36.8	36.6
Yugoslavia	53.2	44.8	43.2	45.8	44.7	46.4	---
U.S.S.R.	5/50.1	---	---	---	---	---	---
Africa							
Ghana	48.8	47.3	48.3	51.6	54.4	58.7	60.7
South Africa	30.4	29.5	29.4	28.7	27.6	27.3	28.5
Asia							
Ceylon	3/53.9	49.3	49.8	50.3	52.3	51.1	49.1
China (Taiwan) 5/	57.8	52.9	50.5	48.7	48.5	49.0	48.3
Israel	34.5	32.8	31.8	30.7	29.8	28.7	27.3
Japan 6/	51.6	43.9	42.0	40.4	39.7	38.8	33.5
Korea, Republic of	56.1	51.5	54.1	51.0	53.9	58.9	54.5
Malaysia	---	45.6	46.8	46.4	46.3	46.0	---
Thailand	---	46.7	47.3	47.1	46.9	47.1	46.3
Viet Nam	---	49.8	46.1	49.4	50.0	47.7	---
Oceania							
Australia 2/	25.5	23.7	23.5	22.8	22.2	22.1	22.4

1/ Total expenditures, defined as those of households and private nonprofit institutions, include expenditures of residents abroad. Food expenditures, excluding beverages unless otherwise indicated, include amounts purchased by nonresidents. As a proportion of disposable personal income, U.S. food expenditures in 1965 equalled 18.2 percent. 2/ Includes nonalcoholic beverages. 3/ Not strictly comparable with data for later years. 4/ Percentage of "individual consumption," which excludes all services not contributing directly to material production (such as personal and professional services). 5/ Includes all beverages. 6/ Includes beverages and tobacco.

United Nations, Yearbook of National Accounts Statistics, 1966, except datum for U.S.S.R. from A. Bergson and S. Kuznets, Economic Trends in the Soviet Union, Harvard University Press, 1963, p. 361.

an increase in level of living since relatively more money was spent for clothing, housing, and other goods and services. On the average, prices for food and other consumer items have risen at about the same rates. 2/

RETAIL FOOD PRICES

Food Prices Higher in First Quarter

Retail food prices in first quarter 1968 increased 1½ percent above the previous quarter (fig. 4 and table 6). This significant advance came on the heels of generally stable prices during 1967. Consequently, first-quarter 1968 prices averaged only 2½ percent above those of a year earlier.

Prices for food purchased for use at home in first-quarter 1968 advanced at a somewhat faster rate than for food consumed away from home. Prices for restaurant food increased 1 percent for the quarter, which was slightly less of an increase than has been typical during the last 2 years. Prices for food at home turned up steeply during first-quarter 1968. The upturn followed a decline during the previous quarter and more than a year of relative price stability. Prices exceeded--by a half of 1 percent--the previous peak established in third-quarter 1966.

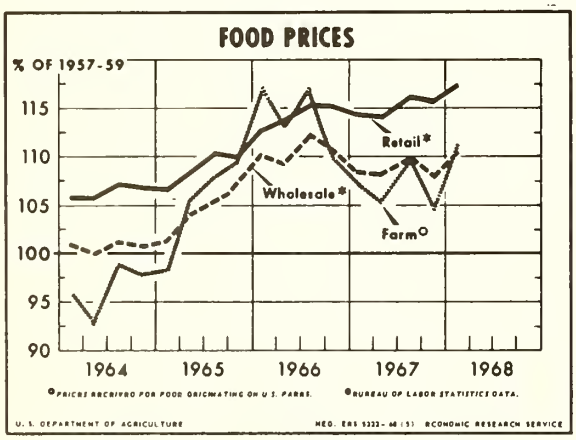


Figure 4

Consumer prices for items other than food increased somewhat slower than for food during first-quarter 1968, but these prices had trended upward more strongly than food prices during 1967 (fig. 5). Compared with a year earlier, first-quarter 1968 prices for food were not up as much as for all items less food. The total CPI was up nearly 4 percent.

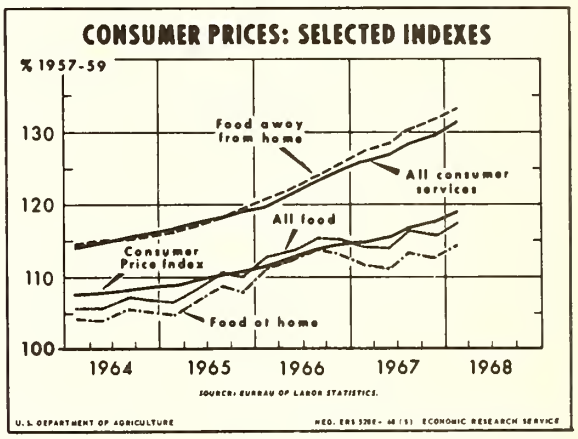


Figure 5

2/ For a table comparing prices for food and total consumer prices in a number of different countries (index, 1958=100), see August 1967 National Food Situation, NFS-121, p. 12.

Table 6.--Consumer, wholesale, and farm price indexes (1957-59=100), 1966-68

Item	1966	1967 I	1967 II	1967 III	1967 IV	1967 Year	1968 I Index	1968 I Percentage change from 1967 I
								Percent
Retail prices: 1/								
All goods and services (CPI)	113.1	114.8	115.6	116.8	117.8	116.3	119.0	3.7
All items less food	113.0	115.1	116.2	117.2	118.6	116.8	119.7	4.0
All food	114.2	114.4	114.2	116.2	115.8	115.2	117.4	2.6
Food at home	112.6	111.8	111.3	113.4	112.6	112.3	114.2	2.1
Food away from home	123.2	127.4	128.7	130.3	131.9	129.6	133.3	4.6
Wholesale prices: 1/								
All commodities	105.9	106.0	105.8	106.3	106.4	106.1	107.8	1.7
Industrial Commodities	104.7	105.9	106.0	106.3	107.1	106.3	108.2	2.2
Farm products	105.6	101.1	100.2	100.1	97.5	99.7	100.8	-.3
Processed food	111.5	109.8	109.7	111.6	110.1	110.3	111.8	1.8
All food 2/	110.7	108.4	108.2	109.6	108.2	108.6	110.5	1.9
Prices received by farmers: 3/								
Crops	105	100	100	99	102	100	104	4.0
Livestock and products	113	107	106	110	105	107	108	.9
Total	110	104	103	105	104	104	106	1.9
Market basket of U.S. farm foods: 4/								
Retail cost	111.4	109.6	108.8	111.2	110.3	110.0	112.0	2.2
Farm-retail spread	109.5	111.4	111.2	112.1	114.0	112.2	113.9	2.2
Farm value	114.3	106.7	105.2	109.9	104.6	106.6	109.2	2.3

1/ Department of Labor, Bureau of Labor Statistics. 2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group. 3/ Statistical Reporting Service. 4/ Economic Research Service.

Prices to Continue Strong

Retail food prices likely will continue to rise through third-quarter 1968, partly due to seasonal factors that are strongest during the summer months. However, the rate of increase probably will diminish from that in the first quarter. Prices for food purchased both in grocery stores and restaurants likely will share in the advance in coming months.

Food prices in second-quarter 1967 dropped seasonally from the first quarter. But an increase is more likely this year. Last year's drop may widen the second-quarter price comparison on a year-to-year basis.

Retail food price gains this year are expected to fall short of price increases for other consumer goods and services. For the year, retail food prices likely will average 3 or 3½ percent above the 1967 level. Prices for food away from home probably will rise around 4 to 5 percent--about in line with prices for all services. Prices for food at home this year likely will advance around 3 percent--somewhat less than for nonfood commodities.

Wholesale prices for farm products in first-quarter 1968 advanced more than 3 percent over the previous quarter (tables 6 and 19, p. 36). This increase was a rebound from a decline the previous quarter. First-quarter 1968 prices averaged about the same as a year earlier. Prices for processed foods also rebounded in the first quarter and averaged 2 percent above a year earlier. Wholesale prices for farm products and for processed foods are expected to continue to rise moderately.

Farm-level prices for food commodities last year followed about the same pattern as wholesale prices for farm products, except they dropped more in the fourth quarter and rebounded more in first-quarter 1968. Prices this year may average 3 to 5 percent above a year earlier following a 7-percent drop in 1967.

Costs of processing and marketing farm products are continuing to advance because rising wage rates and prices for other inputs likely are outpacing productivity gains. Preliminary data indicate that labor costs per unit of output in total manufacturing in first-quarter 1968, were up 2 percent from the previous quarter and 5 percent from first-quarter 1967.

Marketing margins for food in 1967 did not widened sufficiently to cover rising costs, and profit rates dropped. The farm-retail spread in first-quarter 1968 was the same as in fourth-quarter 1967 and averaged 2 percent above a year earlier (table 6). The degree to which costs will be reflected in larger marketing margins and higher consumer prices this summer and fall will depend upon consumer demand. Demand likely will continue relatively strong in view of higher incomes, growing population, and higher prices for nonfood goods and services.

Prices by Commodity

Retail prices for fresh fruits and vegetables (including potatoes) averaged 11 percent higher than a year earlier in first-quarter 1968 (table 20, p. 37). Prices for fruits were up the most. Prices for processed fruits and vegetables rose 6 percent from a year earlier, but prices for potatoes averaged 9 percent lower. Fruits and vegetables accounted for a large share of the increase in total food prices in the first quarter. Prices for sugar and sweets also averaged higher. But, prices averaged slightly below year-earlier levels for bread and other cereal and bakery products, coffee, and fats and oil products.

Prices for animal products did not contribute strongly to the retail food price increase in first-quarter 1968. They were up less than 1 percent from both the previous quarter and a year earlier. Retail egg prices averaged a tenth below those of a year earlier, although poultry prices were slightly higher. Pork and fishery product prices were about stable but prices for dairy products and beef were higher.

Table 7.--Consumer Price Index and food groups: United States and selected areas, 1967 annual average indexes and percent changes, 1966 to 1967

Group	U.S. city average 1/	Atlanta	Baltimore	Chicago	Cincinnati	Detroit	Honolulu (December 1963=100)	Kansas City	Los Angeles-Long Beach
	Indexes (1957-59=100 unless otherwise specified)								
All items	116.3	115.0	116.1	113.6	113.5	114.9	107.8	118.7	117.6
Food	115.2	114.2	116.3	115.4	112.5	114.1	108.3	117.9	114.1
Food at home	112.3	112.0	112.1	114.2	109.4	111.5	108.1	115.7	109.4
Cereals and bakery products	118.5	114.1	122.0	119.9	114.0	112.4	109.3	122.3	119.5
Meats, poultry and fish	111.2	111.7	110.7	113.0	111.8	113.8	111.0	113.8	102.6
Dairy products	116.7	114.2	113.9	126.2	113.1	120.5	107.6	123.7	116.9
Fruits and vegetables	117.5	115.4	121.0	115.8	115.2	110.2	106.7	118.0	122.8
Other foods at home	101.9	107.1	100.5	101.8	96.8	101.3	103.3	106.0	94.9
Food away from home	129.6	122.3	134.0	121.4	128.9	128.3	109.3	125.9	131.4
	Percent changes 1966 to 1967								
All items	2.8	3.1	2.4	2.6	2.9	3.4	2.8	2.1	2.5
Food	.9	1.2	.3	.7	.6	1.7	1.9	.6	.7
Food at home	-.3	-.4	-.6	-.2	-.7	.7	1.6	-.7	-.5
Cereals and bakery products	2.3	3.9	1.6	2.7	1.6	3.2	4.1	3.1	.2
Meats, poultry and fish	-2.5	-2.9	-2.6	-1.9	-2.9	-1.6	-.6	-3.1	-2.7
Dairy products	4.4	5.8	3.0	5.9	4.4	6.6	6.0	2.9	3.5
Fruits and vegetables	-.1	-1.5	.6	.6	-2.0	.5	.8	-1.3	.8
Other foods at home	-1.9	-2.4	-2.1	-3.9	-1.3	-.5	1.2	-1.7	-1.7
Food away from home	5.2	6.6	4.4	4.1	6.1	5.9	3.3	5.1	4.4

Group	New York	Phil-adelphia	St. Louis	San Francisco-Oakland	Boston	Houston	Minneapolis-St. Paul	Pittsburgh	Portland, Oregon
	Indexes (1957-59=100 unless otherwise specified)								
All items	119.0	116.8	116.8	119.0	119.8	114.4	115.9	115.0	118.2
Food	115.7	114.5	119.0	114.7	119.4	115.8	113.0	111.2	115.4
Food at home	111.0	110.9	116.0	110.5	115.1	112.3	110.5	109.5	111.7
Cereals and bakery products	117.3	114.3	119.3	117.0	123.4	124.8	108.2	116.4	111.9
Meats, poultry and fish	111.0	107.3	115.9	108.3	116.1	106.8	109.8	112.6	117.9
Dairy products	108.4	122.0	127.8	114.5	112.8	117.1	119.8	107.9	123.9
Fruits and vegetables	118.9	117.8	119.5	119.8	121.2	120.8	114.8	113.4	105.9
Other foods at home	100.8	99.2	103.8	98.0	104.0	102.2	103.0	99.6	100.1
Food away from home	135.7	133.8	130.0	133.2	138.2	131.0	124.1	122.0	---
	Percent changes 1966 to 1967								
All items	2.6	2.7	2.9	2.9	2.4	2.6	3.3	1.8	2.5
Food	.5	1.2	1.0	.4	2.1	.3	.5	-.5	.6
Food at home	-.9	-.4	.3	-.5	.9	-1.1	-.9	-1.4	-.9
Cereals and bakery products	1.0	2.9	3.7	3.1	4.4	2.8	-.8	1.6	.3
Meats, poultry and fish	-1.7	-2.3	-2.7	-3.6	-1.3	-3.8	-3.0	-4.1	-2.1
Dairy products	2.0	4.7	6.2	2.7	4.8	4.0	1.4	4.9	5.5
Fruits and vegetables	-.3	.4	.9	2.2	-.7	.2	.9	-2.0	-3.4
Other foods at home	-3.0	-3.4	-2.3	-2.3	.2	-3.2	-1.7	-3.2	-3.8
Food away from home	5.1	8.2	4.8	4.0	6.8	5.7	7.0	5.4	---

1/ 56 city average.

Source: Bureau of Labor Statistics.

Prices for fruits and vegetables likely will continue stong until harvest this summer and fall. Price strength likely will continue for fresh fruit but abate for fresh vegetables. Prices for processed vegetables, which are in relatively large supply, should remain relatively stable the next few months and may decline later in the year if output levels match larger planting intentions.

Animal products are expected to participate more strongly than crop products in the general food price increase through the third quarter. Part, but not all, of this increase is expected to be due to seasonal factors. Second-quarter prices are seasonally weak, but third-quarter prices usually are the highest of the year. Per capita supplies of most livestock products are expected to continue slightly below year-earlier levels. Higher price supports for manufacturing milk and increased Federal Order prices for bottling milk likely will lead to higher retail prices for most dairy products.

Food Prices by City in 1967

Retail food prices increased an average of nearly 1 percent between 1966 and 1967 in the 56 cities in which prices are collected by the Bureau of Labor Statistics. When comparisons cover a period of several years, price changes over the country tend to be remarkably uniform. Even for a single year, price changes are rather uniform. Price changes for 17 large cities in 1967 varied from a fractional decline from a year earlier in Pittsburg to 2-percent increases in Boston, Honolulu, and Detroit (table 7). Prices for meat, poultry, and fish declined 4 percent in Pittsburgh, the largest decline for these foods in any of the 17 cities.

Prices for food away from home in 1967 gained an average of 5 percent in the 56 cities. These increases varied from 3 percent in Honolulu to 8 percent in Philadelphia and Minneapolis-St. Paul.

FOOD SUPPLY AND CONSUMPTION

Overall Supply and Use

Overall production of food commodities in 1968 likely will total close to the record levels of 1967 (table 8). The same to slightly lower production is now indicated both for livestock and crop food commodities (tables 9 and 10).

The quantity of imports of food commodities this year likely will about equal imports in 1967. 3/ Imports are expected to continue to furnish about a tenth of the total food supply this year, as they have for many years. The importance of food crop imports, at about 15 percent of the total crop supply, is down from a decade earlier. But livestock product imports, at 3 percent of total livestock supply, are up slightly.

The volume of exports of food commodities in 1967 declined from record levels a year earlier, mostly because of lower exports of some crop commodities. Exports of livestock commodities changed little from a year earlier but were down nearly a half from the peak level reached in 1964. Exports increased in first-quarter 1968 and for the calendar year are expected to exceed the 1967 total, both for crop and livestock commodities.

With increased demand, total utilization of food commodities in 1968 likely will exceed last year's level.

3/ See page 32 for value of imports and exports in 1966 and 1967.

Table 8.--Farm food commodities: Supply-utilization indexes by component and relationship of components to total net utilization, 1950 to date 1/

Year	Supply			Total annual net utilization	Utilization				
					Domestic use				
					Food		Net nonfood 6/	Total	Exports and shipments 7/
	Net production 2/	Net imports 3/	Stocks 4/		Civilian	Military 5/			
	A.--Index, 1957-59=100								
1950	82.6	88.3	75.0	84.5	86.4	110.3	113.5	87.7	51.0
1951	81.5	88.8	78.0	87.6	85.9	218.7	108.2	89.0	73.0
1952	86.9	87.0	71.6	87.9	88.7	163.4	94.5	90.2	64.0
1953	88.7	93.0	75.4	89.4	91.2	151.9	99.1	92.5	57.2
1954	91.0	84.0	81.2	90.4	92.4	127.6	93.9	93.1	62.5
1955	94.9	88.5	87.0	95.1	96.3	110.8	103.4	96.8	77.9
1956	98.6	92.7	91.4	99.9	99.3	112.4	105.2	99.8	100.8
1957	98.2	93.1	93.7	99.3	98.9	101 8	99.7	98.9	103.1
1958	101.3	96.6	96.7	98.2	98.8	99.8	98.1	98.8	92.1
1959	100.5	110.3	109.6	102.5	102.3	98.4	102.2	102.3	104.8
1960	104.8	98.4	114.6	103.8	103.2	92.4	90.1	102.5	116.5
1961	103.9	104.1	122.5	106.7	105.3	101.6	91.0	104.8	126.3
1962	104.2	111.0	123.5	109.4	106.7	105.6	103.4	106.5	138.6
1963	109.4	113.5	120.7	113.6	109.8	102.2	104.5	109.5	156.2
1964	110.9	102.6	119.6	118.0	112.1	113.3	104.4	111.8	181.4
1965	116.1	101.4	108.9	117.4	112.1	127.6	108.4	112.3	170.3
1966	114.4	109.7	110.2	120.4	114.0	136.2	110.2	114.3	183.4
1967 8/	123.8	109.9	103.0	121.9	117.9	141.1	103.4	113.8	164.7
1968 8/	---	---	112.3	---	---	---	---	---	---
	B.--Percentage of total annual net utilization								
1950	89.5	12.0	-1.5	100.0	88.2	2.1	4.3	94.6	5.4
1951	85.2	11.6	3.2	100.0	84.6	4.0	4.0	92.6	7.4
1952	90.6	11.3	-1.9	100.0	87.1	3.0	3.5	93.6	6.4
1953	90.9	11.9	-2.8	100.0	88.0	2.7	3.6	94.3	5.7
1954	92.2	10.6	-2.8	100.0	88.3	2.3	3.3	93.9	6.1
1955	91.4	10.6	-2.0	100.0	87.4	1.9	3.5	92.8	7.2
1956	90.4	10.6	-1.0	100.0	85.9	1.8	3.4	91.1	8.9
1957	90.6	10.7	-1.3	100.0	85.9	1.7	3.2	90.8	9.2
1958	94.4	11.3	-5.7	100.0	86.9	1.6	3.2	91.7	8.3
1959	89.8	12.3	-2.1	100.0	86.2	1.6	3.2	91.0	9.0
1960	92.5	10.8	-3.3	100.0	85.9	1.4	2.8	90.1	9.9
1961	89.2	11.2	-.4	100.0	85.2	1.5	2.8	89.5	10.5
1962	87.3	11.6	1.1	100.0	84.2	1.6	3.0	88.8	11.2
1963	88.1	11.5	.4	100.0	83.4	1.4	3.0	87.8	12.2
1964	86.1	9.9	4.0	100.0	82.0	1.5	2.9	86.4	13.6
1965	90.6	9.9	-.5	100.0	82.4	1.8	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	2.9	86.5	13.5
1967 8/	93.0	10.3	-3.3	100.0	83.4	1.9	2.7	88.0	12.0
1968 8/	---	---	---	---	---	---	---	---	---

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1960. Includes essentially all commodities having any food use in the United States. Livestock: Red meat, poultry, eggs, milk fat and nonfat solids, and honey. Crops: Food and feed grains, sugar crops, citrus and noncitrus fruit, bananas, tree nuts, potatoes, sweetpotatoes, vegetables, dry beans and peas, cowpeas, popcorn, mustard seed, cocoa, coffee, tea, olives, copra, and major oilseeds. 2/ Meat production includes carcass weight of commercial and farm slaughter; does not include change in live animal inventory. 3/ Includes shipments from U.S. Territories. 4/ Farm, commercial, and Government program holdings; excludes live animal inventory. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. 5/ Includes civilian feeding in occupied areas. 6/ Excludes feed and seed. 7/ Includes shipments to U.S. Territories. 8/ Preliminary.

Table 9.--Livestock food commodities: Supply-utilization indexes by component and relationship to total annual utilization, 1950 to date 1/

Year	Supply			Utilization						
	Gross production 2/	Imports 3/	Stocks 4/	Total annual gross utilization	Domestic use					Exports and shipments 8/
					Food		Nonfood			
					Civilian	Military 5/	Seed 6/	Feed 7/	Other	
	A.--Index, 1957-59=100									
1950	88.0	60.2	147.7	87.1	85.6	85.9	73.7	147.0	109.3	75.5
1951	87.4	65.7	150.1	87.9	84.5	184.6	84.1	142.6	96.8	84.8
1952	90.3	60.7	112.6	89.1	87.7	142.6	79.9	130.7	93.9	61.2
1953	84.5	54.2	124.4	92.7	91.1	135.7	83.0	131.4	105.1	76.0
1954	96.5	47.7	149.2	95.1	93.3	121.8	82.0	151.5	104.2	86.9
1955	99.0	46.4	154.8	98.6	97.0	112.8	83.0	122.7	105.7	123.4
1956	120.8	45.4	126.5	102.0	100.6	111.1	93.4	113.6	110.5	131.3
1957	100.6	58.4	107.8	99.8	99.3	105.0	92.4	104.4	104.5	108.2
1958	98.2	109.7	99.4	98.5	98.5	99.2	104.8	98.4	100.1	94.8
1959	101.2	131.9	92.8	101.7	102.2	95.8	102.8	97.2	95.4	97.0
1960	103.0	103.5	92.3	102.7	103.5	90.0	102.8	97.7	93.3	97.0
1961	105.8	128.2	95.6	104.9	105.5	95.5	110.1	97.4	90.9	107.7
1962	106.1	167.3	132.0	106.9	107.4	103.0	111.1	91.0	94.8	111.8
1963	109.0	188.4	142.6	110.8	110.7	99.5	111.1	90.0	94.2	154.3
1964	114.4	137.9	133.6	115.6	114.4	112.8	114.2	94.7	94.5	192.1
1965	112.5	130.1	106.5	113.2	113.4	124.1	121.5	88.3	93.6	132.6
1966	114.6	172.5	88.3	115.2	116.1	132.8	132.9	92.2	87.4	104.7
1967 9/	118.5	180.9	102.4	118.7	120.0	144.1	130.8	78.1	89.1	107.1
1968 9/	---	---	131.3	---	---	---	---	---	---	---
	B.--Percentage of total annual gross utilization									
1950	98.6	1.5	-0.1	100.0	89.3	1.9	0.4	3.8	2.4	2.2
1951	97.0	1.6	1.4	100.0	87.3	4.0	.5	3.6	2.1	2.5
1952	99.0	1.4	-.4	100.0	89.3	3.1	.5	3.3	2.0	1.8
1953	99.6	1.2	-.8	100.0	89.3	2.8	.5	3.2	2.1	2.1
1954	99.1	1.1	-.2	100.0	89.1	2.4	.4	3.6	2.1	2.4
1955	98.1	1.0	.9	100.0	89.3	2.2	.4	2.8	2.0	3.3
1956	98.4	1.0	.6	100.0	89.5	2.1	.5	2.6	2.0	3.3
1957	98.5	1.2	.3	100.0	90.3	2.0	.5	2.4	2.0	2.8
1958	97.4	2.4	.2	100.0	90.8	1.9	.6	2.3	1.9	2.5
1959	97.2	2.8	10/	100.0	91.3	1.8	.5	2.1	1.8	2.5
1960	98.0	2.1	-.1	100.0	91.5	1.7	.5	2.1	1.7	2.5
1961	98.5	2.6	-1.1	100.0	91.3	1.7	.6	2.1	1.6	2.7
1962	97.0	3.3	-.3	100.0	91.3	1.8	.6	1.9	1.7	2.7
1963	96.1	3.6	.3	100.0	90.7	1.7	.6	1.8	1.6	3.6
1964	96.7	2.5	.8	100.0	90.0	1.9	.5	1.8	1.5	4.3
1965	97.0	2.5	.5	100.0	91.0	2.1	.6	1.7	1.6	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	.6	1.8	1.4	2.4
1967 9/	97.5	3.3	-.8	100.0	91.9	2.3	.6	1.5	1.4	2.3
1968 9/	---	---	---	---	---	---	---	---	---	---

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1960. Includes essentially all livestock commodities having any food use. 2/ Meat production includes commercial and farm slaughter; excludes change in live animal inventory. 3/ Includes inshipments from U.S. Territories. 4/ Commercial and Government program holdings. Section A: Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes; negatives indicate stock increases; positives signify withdrawals. 5/ Includes civilian feeding in occupied areas. 6/ Hatching eggs. 7/ Milk fed to calves and, since 1961, inedible tallow. 8/ Includes shipments to U.S. Territories. 9/ Preliminary. 10/ Less than 0.05 percent.

Table 10.--Crop food commodities: Supply-utilization indexes by component and relationship to total annual utilization, 1950 to date 1/

Year	Supply			Utilization						
					Domestic use					Exports and shipments 5/
					Food		Nonfood			
	Gross production	Imports 2/	Stocks 3/	Total annual gross utilization	Civilian	Military 4/	Seed	Feed	Other	
	A.--Index, 1957-59=100									
1950	87.4	92.0	68.8	89.8	90.6	196.3	109.4	101.2	124.0	39.8
1951	83.1	93.4	73.3	95.2	90.7	333.2	107.3	104.1	124.6	68.1
1952	90.0	95.3	65.6	92.7	92.7	229.5	105.6	100.1	94.5	64.1
1953	87.4	101.5	70.1	90.2	93.0	202.4	106.7	97.4	95.4	54.4
1954	88.2	90.2	76.3	88.1	92.3	140.9	108.3	92.3	90.9	67.2
1955	88.3	94.1	83.6	89.8	94.8	103.7	105.4	88.3	101.9	93.6
1956	91.4	99.2	89.7	95.4	96.8	116.8	102.2	92.5	101.9	101.9
1957	92.5	98.2	93.0	96.1	97.8	90.6	101.9	90.7	96.8	101.9
1958	105.3	94.9	96.6	99.1	99.5	101.7	99.7	101.7	96.8	91.5
1959	102.2	106.9	110.4	104.8	102.7	107.7	98.4	107.6	106.4	106.6
1960	106.3	97.1	115.7	104.6	102.5	100.7	91.9	103.9	88.2	121.1
1961	103.7	100.3	123.8	109.4	105.0	122.8	96.0	110.6	91.0	130.6
1962	105.0	102.6	123.1	113.0	105.0	114.8	96.2	114.1	108.5	144.9
1963	110.3	102.7	119.6	115.6	107.9	111.7	98.1	113.0	110.7	156.6
1964	106.0	97.1	118.9	117.6	107.2	114.8	98.9	111.4	110.3	178.9
1965	117.5	96.7	109.0	118.7	109.4	139.9	100.3	109.8	117.4	179.1
1966	118.1	100.2	111.3	127.5	109.6	148.0	101.9	127.2	124.0	201.9
1967 6/	127.9	99.4	103.0	123.7	113.2	130.9	111.0	120.1	112.0	178.2
1968 6/	---	---	111.4	---	---	---	---	---	---	---
	B.--Percentage of total annual gross utilization									
1950	85.1	18.5	-3.6	100.0	49.3	1.4	2.9	35.8	4.9	5.7
1951	76.4	17.7	5.9	100.0	46.5	2.2	2.7	34.8	4.7	9.1
1952	85.0	18.6	-3.6	100.0	48.9	1.6	2.7	34.4	3.6	8.8
1953	84.7	20.3	-5.0	100.0	50.4	1.4	2.8	34.3	3.8	7.3
1954	87.6	18.5	-6.1	100.0	51.2	1.0	2.9	33.3	3.7	7.9
1955	86.0	19.0	-5.0	100.0	51.6	.7	2.8	31.3	4.0	9.6
1956	83.8	18.8	-2.6	100.0	49.5	.8	2.6	30.8	3.8	12.5
1957	84.2	18.5	-2.7	100.0	49.8	.6	2.5	30.0	3.6	13.5
1958	93.0	17.3	-10.3	100.0	49.1	.6	2.4	32.6	3.5	11.8
1959	85.3	18.4	-3.7	100.0	47.9	.7	2.2	32.6	3.6	13.0
1960	89.0	16.8	-5.8	100.0	47.9	.6	2.1	31.6	3.0	14.8
1961	82.9	16.6	.5	100.0	46.9	.7	2.1	32.1	3.0	15.2
1962	81.3	16.5	2.2	100.0	45.4	.7	2.0	32.1	3.4	16.4
1963	83.5	16.1	.4	100.0	45.6	.6	2.0	31.1	3.4	17.3
1964	78.9	14.9	6.2	100.0	44.5	.6	2.0	30.1	3.4	19.4
1965	86.7	14.7	-1.4	100.0	45.0	.8	2.0	29.5	3.5	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	1.9	31.7	3.5	20.2
1967 6/	90.5	14.5	-5.0	100.0	44.7	.7	2.1	30.9	3.2	18.4
1968 6/	---	---	---	---	---	---	---	---	---	---

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1960. Includes essentially all crops having any food use, including feed grains. 2/ Includes inshipments from U.S. Territories. 3/ Farm, commercial and Government program holdings. Section A: Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes; negatives indicate stock increases; positives signify withdrawals. 4/ Includes civilian feeding in occupied areas. 5/ Includes shipments to U.S. Territories. 6/ Preliminary.

But the increase is not likely to match the gain of a year earlier. Total civilian use of food commodities in 1968 is not expected to differ much from last year. Military procurement is expected to advance again this year but amount to only about 2 percent of total annual food utilization.

Utilization of crop food commodities (including feed grains) for feed and seed is expected to continue large and may exceed last year's level. These uses account for over a third of the total annual use of crop food commodities. Direct domestic use for food normally accounts for a little less than half of total use and exports for an additional one-fifth.

Per Capita Consumption Down Slightly

Civilian per capita food consumption in 1967 increased nearly 2 percent from a year earlier. But this year, it may drop slightly below the 1967 level (table 2). The decline likely will be centered among the animal products, which may be down 1 percent per capita. Lower per capita use is likely for veal, lamb, eggs, turkey, fluid milk and cream, fresh fruit, and possibly pork. Increased consumption is likely this year for cheese, processed vegetables and potatoes, confectionery, and soft drinks. Little change in consumption of many other products is likely. These include beef, chicken, fats and oils, fresh vegetables, potatoes, grain products, and coffee (table 11).

Per Capita Consumption of Livestock Products

Per capita consumption of total livestock products in first-quarter 1968 dropped to 1 percent below first-quarter 1967 (fig. 6 and table 12). However, consumption remained 2 percent above first-quarter 1966 and, aside from first-quarter 1967, was the highest first quarter since 1956.

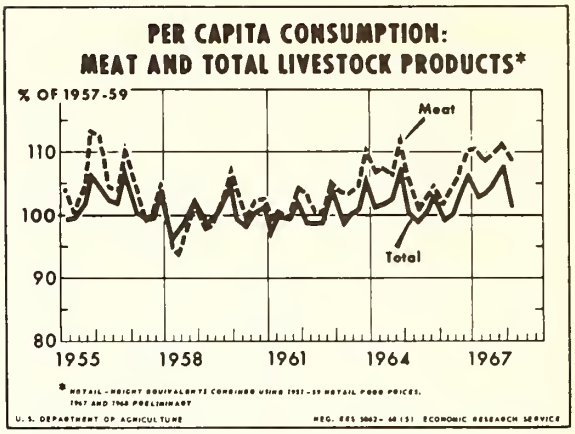


Figure 6

All major groups of livestock products shared in a largely seasonal decline in consumption between fourth-quarter 1967 and first-quarter 1968. Poultry consumption dropped a third, which was somewhat more than usual. Egg consumption dropped 4 percent and meat, 2 percent; but a year earlier, consumption held stable going into the first quarter. Dairy products and fats and oils consumption per capita declined 1 percent; but a year ago, consumption increased slightly from the fourth to the first quarter. Per capita consumption of each of these major products dropped to around 1 percent below a year earlier.

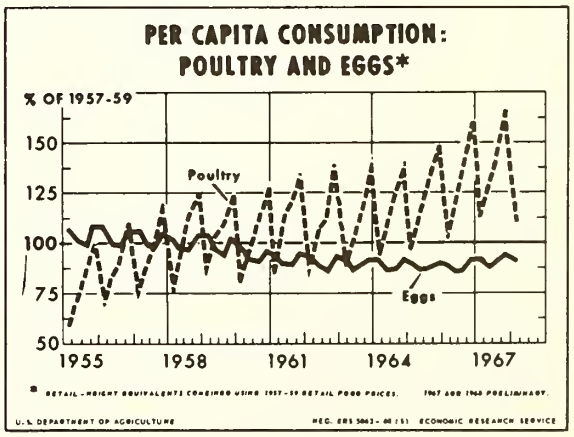


Figure 7

Table 11.--Civilian per capita food consumption, retail-weight equivalent, 1947-67 1/*

Year	Meat, poultry, fish: Meat 2/	Poultry	Fish 3/	Total	Eggs	Dairy products: Including butter	Excluding butter	Fats and oils: Excluding butter	Including butter 4/: Animal	Vegetable	Total	Fruits: Fresh	Processed	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1947	147.4	22.1	12.3	181.3	46.8	424	413	33.9	25.7	19.4	45.1	139.6	40.8	180.4
1948	138.4	21.8	13.1	173.3	47.8	407	397	35.7	24.4	21.3	45.7	127.9	42.9	170.8
1949	137.6	23.3	12.9	173.8	47.4	406	396	35.2	24.1	21.6	45.7	121.0	42.1	163.1
1950	137.8	25.1	13.8	176.7	48.5	406	395	38.4	25.1	24.0	49.1	107.0	43.4	150.4
1951	132.4	26.5	13.2	172.1	49.3	408	398	35.6	24.1	21.1	45.2	115.6	42.6	158.2
1952	139.4	27.2	13.3	179.9	49.2	410	401	38.7	23.0	24.3	47.3	109.9	45.4	155.3
1953	146.4	27.1	13.6	187.1	47.8	406	398	38.7	22.6	24.6	47.2	104.8	45.2	150.0
1954	144.9	28.5	13.5	186.9	47.4	403	394	39.9	21.5	27.3	48.8	101.0	45.7	146.7
1955	152.2	26.7	12.9	191.8	46.9	407	398	40.2	22.7	26.5	49.2	95.2	48.8	144.0
1956	154.9	30.0	12.9	197.8	46.6	409	400	39.8	23.1	25.4	48.5	95.1	49.2	144.3
1957	146.7	31.8	12.8	191.3	45.9	403	395	39.3	21.8	25.8	47.6	93.0	50.8	143.8
1958	139.6	34.4	13.3	187.3	44.9	398	390	40.4	21.7	27.0	48.7	90.3	50.0	140.3
1959	146.6	35.6	13.7	195.9	44.7	393	385	41.7	21.5	28.1	49.6	92.0	48.4	140.4
1960	146.7	34.5	13.2	194.4	42.5	384	377	41.0	20.1	28.4	48.5	89.4	50.2	139.6
1961	145.4	37.8	13.7	196.9	41.6	377	370	41.0	20.8	27.6	48.4	85.4	49.0	134.4
1962	147.1	37.3	13.6	198.0	41.4	376	369	41.6	20.1	28.8	48.9	80.8	49.6	130.4
1963	151.7	37.9	13.7	203.3	40.3	374	367	42.6	19.0	30.5	49.5	71.9	48.2	120.1
1964	155.6	38.7	13.5	207.8	40.4	374	367	43.9	18.5	32.2	50.7	76.8	46.4	123.2
1965	148.0	41.2	13.9	203.1	39.8	372	366	44.3	18.5	32.2	50.7	79.7	48.0	127.7
1966 5/	151.0	44.2	13.6	208.8	39.8	373	367	46.1	17.1	34.7	51.8	79.5	49.4	128.9
1967 5/	157.7	46.3	13.6	217.6	41.4	370	364	45.8	17.1	34.2	51.3	79.3	51.7	131.0

Year	Vegetables: Melons 6/	Fresh 6/	Processed: Canned	Frozen	Total	Total 6/	Potatoes and sweetpotatoes 6/	Beans, peas, nuts, soya products 6/ 7/	Flour and cereal products 8/	Sugars and other sweeteners 9/	Coffee, tea, cocoa	All foods 10/: Animal products	Crop products	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1947	35.1	190.0	39.8	2.5	42.3	232.3	135.5	16.4	173	113.7	18.6	667	932	1,599
1948	34.5	186.8	37.4	2.9	40.3	227.1	113.8	17.4	170	106.4	19.1	642	889	1,531
1949	33.2	174.9	38.3	2.9	41.2	216.1	118.8	16.7	169	108.5	19.5	641	875	1,516
1950	30.4	170.3	41.2	3.2	44.4	214.7	114.2	19.3	167	113.1	17.6	645	860	1,505
1951	31.6	165.1	41.5	4.0	45.5	210.6	117.2	17.2	165	106.3	17.3	644	854	1,498
1952	30.2	161.8	40.8	4.9	45.7	207.5	105.9	17.2	162	108.4	17.3	653	838	1,491
1953	32.5	157.7	42.2	5.1	47.3	205.0	112.1	16.2	158	108.1	17.3	656	834	1,490
1954	32.3	155.4	41.1	5.4	46.5	201.9	111.6	16.4	155	106.0	14.7	650	823	1,473
1955	33.0	154.7	42.2	5.9	48.1	202.8	113.7	16.2	152	106.3	15.0	659	820	1,479
1956	30.1	154.4	42.7	6.0	48.7	203.1	107.2	16.9	150	107.6	15.5	668	811	1,479
1957	27.6	152.9	42.9	6.2	49.1	202.0	112.6	16.5	148	104.3	15.3	654	808	1,462
1958	29.5	149.3	43.5	6.6	50.1	199.4	107.4	16.3	150	107.4	14.7	644	804	1,448
1959	26.9	146.7	43.6	6.8	50.4	197.1	110.0	16.9	147	107.7	15.2	647	802	1,449
1960	28.2	150.1	43.4	7.0	50.4	200.5	109.4	16.5	147	108.8	15.1	634	807	1,441
1961	27.4	146.8	43.5	7.1	50.6	197.4	109.9	16.8	147	109.1	15.4	629	799	1,428
1962	25.0	143.4	45.1	7.7	52.8	196.2	107.1	16.9	146	109.9	15.4	629	789	1,418
1963	26.3	143.4	45.9	7.4	53.3	196.7	110.1	16.9	143	110.4	15.6	630	784	1,414
1964	24.8	140.8	45.5	8.0	53.5	194.3	106.0	17.2	144	111.5	15.4	634	783	1,417
1965	25.4	140.6	46.8	8.5	55.3	195.9	104.6	16.6	144	111.4	15.0	627	787	1,414
1966 5/	23.6	140.2	47.3	9.2	56.5	196.7	108.0	15.6	141	112.7	15.0	633	791	1,424
1967 5/	23.3	142.5	48.6	9.4	58.0	200.5	108.4	16.5	142	112.7	15.2	640	799	1,439

1/ Quantity data used in computing the per capita food consumption index, table 2. Final consumer products that are derived from a combination of primary food groups, such as bakery products, are measured and reported in the form of their primary ingredients, such as flour, shortening, and eggs. Data for individual items comprising the groups are given in U.S. Food Consumption, SB-364, tables 7-30. 2/ Includes game and edible offal. 3/ Includes 2.0 pounds per capita of game fish through 1951, increasing 0.1 pound annually to 3.0 pounds in 1961 and thereafter. 4/ Includes product weight of butter and margarine; other items in terms of fat content. 5/ Preliminary. 6/ Data for melons, fresh vegetables, potatoes, sweetpotatoes, and dry beans and peas include consumption of home garden produce. 7/ Since 1958 approximations for soya products are continued at 1.3 pounds. 8/ Corn sugar and sirups are with sugar and other sweeteners. 9/ Excludes sugar used in production of canned and frozen fruit, canned fruit juices, canned vegetables, and unskimmed sweetened condensed milk. 10/ Includes spices and herbs, soup, and baby food.

* Data revised February 1968.

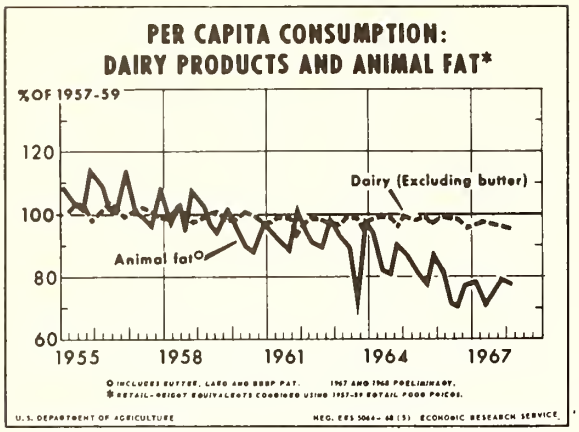


Figure 8

In 1967, per capita meat consumption showed surprisingly little quarter-to-quarter change. Meat consumption typically is lowest during the first quarter and highest in the fourth quarter.

Consumers ate about the same amount of beef but less pork, veal, and lamb in first-quarter 1968 than a year earlier. Beef consumption has remained high despite rising prices. Increased output of fed beef has more than offset declines for lower quality beef. Fed beef output is expected to continue large through the summer. Total beef consumption per capita likely will average about the same as a year earlier.

Table 12.--Livestock products: Per capita civilian consumption, by quarters, 1965-68 1/ *
(Index, 1957-59=100)

Year and quarter	Meat	Poultry	Eggs	Dairy products		Fats, including butter	Total livestock products 2/
				Excluding butter	Including butter		
1965 I	105.2	96.3	88.6	98.6	97.2	86.8	100.1
II	101.0	111.7	86.9	97.5	95.8	81.7	98.7
III	102.9	129.7	86.9	98.8	96.5	74.0	100.1
IV	104.9	149.3	89.5	96.8	96.0	92.1	103.9
1966 I	101.9	103.2	88.4	99.2	97.4	80.1	99.0
II	104.2	120.0	85.8	98.7	96.0	71.7	100.6
III	106.9	139.4	86.7	98.1	94.6	70.1	103.2
IV	110.3	159.7	91.5	94.7	92.8	77.0	106.0
1967 3/ I	110.5	111.4	91.3	96.1	94.1	78.7	102.8
II	108.6	129.7	88.6	97.7	94.7	70.3	103.3
III	109.8	142.1	90.4	96.6	93.7	74.4	104.8
IV	111.0	165.2	93.9	96.2	94.2	78.4	107.6
1968 3/ I	108.7	110.9	90.4	95.2	93.2	77.3	101.4

1/ Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Methodology paralleled that for annual data reported in U.S. Food Consumption, SB-364, e.g., consumption is defined as disappearance into the marketing system. For a few, relatively minor, foods seasonal consumption patterns were assumed to be the same as similar-type products for which data are available. 2/ Excludes fish and honey. 3/ Preliminary.
* Refer to the November 1967 NFS-122 for data since 1955.

Table 13.--Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, average 1957-59, annual 1960-67 1/

Commodity	Average 1957-59	1960	1961	1962	1963	1964	1965	1966	1967 Preliminary	1967 as percentage of 1966
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent
Meats (carcass weight) - Total	156.6	160.8	160.4	163.0	169.3	174.5	166.7	170.5	177.5	104
Beef	82.1	85.0	87.7	88.8	94.3	99.8	99.3	104.0	105.9	102
Veal	7.1	6.1	5.6	5.5	4.9	5.2	5.2	4.5	3.8	84
Lamb and mutton	4.4	4.8	5.1	5.2	4.8	4.2	3.7	4.0	3.9	98
Pork (excluding lard)	63.0	64.9	62.0	63.5	65.3	65.3	58.5	58.0	63.9	110
Fish (edible weight) - Total	10.5	10.3	10.7	10.6	10.7	10.5	10.9	10.6	10.6	100
Fresh and frozen	5.7	5.7	5.9	5.8	5.8	5.9	6.0	5.9	5.9	100
Canned 2/	4.2	4.0	4.3	4.3	4.4	4.1	4.4	4.2	4.2	100
Cured	.6	.6	.5	.5	.5	.5	.5	.5	.5	100
Poultry products										
Eggs (farm basis) - Number	356	334	328	326	317	318	314	313	324	104
Chicken (ready-to-cook)	27.5	28.0	30.0	29.9	30.7	31.0	33.3	36.0	37.2	103
Turkey (ready-to-cook)	6.0	6.1	7.4	7.0	6.8	7.3	7.5	7.8	8.7	112
Dairy products										
Total milk fat solids	25.6	24.5	24.0	23.9	23.4	23.3	22.9	22.2	21.4	96
Total nonfat milk solids	43.9	43.4	43.0	43.0	42.2	42.4	42.4	42.2	41.4	98
Cheese	7.9	8.3	8.6	9.2	9.2	9.4	9.5	9.8	9.9	101
Condensed and evaporated milk	14.8	13.7	13.3	12.5	11.6	11.3	10.6	9.7	9.1	94
Fluid milk and cream (milk equivalent)	337	321	311	308	307	304	301	298	286	96
Ice cream (product weight)	18.4	18.3	18.0	17.9	18.0	18.2	18.5	18.1	18.1	100
Fats and Oils - Total, fat content 3/	45.3	45.2	45.1	45.7	46.3	47.5	47.7	48.6	48.7	100
Butter (actual weight)	8.2	7.5	7.4	7.3	6.9	6.8	6.4	5.7	5.5	96
Margarine (actual weight)	8.9	9.4	9.4	9.3	9.6	9.7	9.9	10.5	10.5	100
Lard	9.3	7.6	7.7	7.1	6.4	6.3	6.4	5.5	5.4	98
Shortening	11.4	12.6	12.8	13.4	13.5	13.7	14.0	15.9	15.9	100
Other edible fats and oils	10.8	11.5	11.2	11.7	13.1	14.1	14.1	14.0	14.5	104
Fruits										
Fresh (farm weight) - Total	95.5	93.2	88.2	83.2	74.1	78.4	81.0	81.1	82.4	102
Citrus	34.0	33.7	30.8	29.5	22.1	26.1	29.0	29.0	31.7	109
Apples (commercial)	21.0	18.2	16.4	17.4	16.7	17.8	16.3	15.9	15.8	99
Other (excluding melons)	40.5	41.3	41.0	36.3	35.3	34.5	35.7	36.2	34.9	96
Processed:										
Canned fruit	22.4	22.6	23.2	22.7	22.9	22.9	23.4	23.0	22.5	98
Canned juice	13.5	13.0	11.7	11.6	12.9	11.4	10.8	11.6	11.6	100
Frozen (including juices)	8.6	9.1	8.8	9.7	8.0	7.4	8.5	8.1	10.1	125
Dried	3.3	3.1	3.1	3.0	2.9	2.9	3.0	3.0	2.7	90
Vegetables										
Fresh 4/	104.1	105.8	103.6	101.1	101.0	98.3	98.1	98.0	99.6	102
Canned, excluding potatoes and sweetpotatoes	43.3	43.4	43.5	45.1	46.0	45.7	46.8	47.3	48.7	103
Frozen, excluding potatoes	6.6	7.1	7.1	7.7	7.4	8.0	8.5	9.3	9.4	101
Potatoes and sweetpotatoes										
Potatoes, fresh equivalent 5/	106.9	108.3	109.3	107.2	111.3	110.8	107.6	113.3	115.1	102
Frozen potatoes, product weight	1.6	2.7	2.8	3.9	4.5	5.8	5.7	6.9	7.5	109
Sweetpotatoes, fresh equivalent 5/	8.3	7.1	6.5	6.7	6.9	5.5	6.1	5.9	5.8	98
Dry edible beans	7.7	7.3	7.9	7.6	7.5	7.6	6.6	6.3	7.1	113
Melons	25.1	25.8	24.8	23.2	24.6	23.0	23.6	21.7	21.3	98
Sugar (refined)	96.1	97.6	97.7	97.2	96.6	96.5	96.4	97.4	97.1	100
Grains										
Cornmeal and flour	7.4	6.6	6.3	6.1	5.9	5.8	5.7	5.6	5.5	98
Corn sirup	9.4	10.1	10.6	11.5	12.3	13.6	13.6	14.0	14.0	100
Corn sugar	3.6	3.7	3.7	3.9	4.5	4.4	4.5	4.5	4.6	102
Oat food products	3.6	3.6	3.6	3.7	3.7	3.7	3.7	3.7	3.7	100
Wheat flour 6/	120	118	118	115	113	114	113	111	110	99
Wheat cereals	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.9	100
Rye flour	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	100
Rice, milled	5.4	6.1	6.2	7.4	6.6	7.0	7.6	7.3	7.3	100
Other										
Coffee (green beans)	15.7	15.8	15.8	15.9	15.7	15.3	14.8	14.5	14.7	101
Tea	.58	.59	.61	.64	.66	.67	.68	.69	.67	97
Cocoa beans	3.5	3.6	3.9	3.8	3.9	3.9	4.0	4.2	4.2	100
Peanuts (shelled)	4.6	4.9	4.9	4.9	5.0	5.3	5.6	5.4	5.6	104
Civilian population 7/	Million 171.5	Million 178.2	Million 181.2	Million 183.8	Million 186.7	Million 189.4	Million 191.9	Million 193.8	Million 195.7	Percent 101

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis, fresh citrus fruits and peanuts on a crop year basis, and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice which begins in August of previous year. 2/ Includes fish content of items such as clam chowder. 3/ Computed from unrounded data. 4/ Covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 5/ Includes quantities canned and frozen. 6/ Includes white, whole wheat, and semolina flour. 7/ Census estimates of July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

Table 14.--Production of major food commodities, average 1957-59, annual 1960-67 1/

Commodity	Unit	Average 1957-59	1960	1961	1962	1963	1964	1965	1966	1967 Preliminary 2/	1967 as percentage of 1966
Meats (carcass weight) - Total	Mil. lb.	26,612	28,236	28,608	28,972	30,580	32,692	31,535	32,622	34,231	105
Beef	Mil. lb.	13,704	14,753	15,325	15,322	16,453	18,453	18,724	19,725	20,212	102
Veal	Mil. lb.	1,240	1,109	1,044	1,015	929	1,013	1,020	910	792	87
Lamb and mutton	Mil. lb.	711	768	832	808	770	715	651	650	646	99
Pork (excluding lard)	Mil. lb.	10,957	11,606	11,407	11,827	12,428	12,511	11,140	11,337	12,581	111
Poultry and eggs 3/											
Eggs	Mil. doz.	5,475	5,339	5,358	5,403	5,345	5,435	5,474	5,538	5,847	106
Chicken (ready-to-cook)	Mil. lb.	4,880	5,208	5,787	5,825	6,048	6,219	6,649	7,303	7,560	104
Turkey (ready-to-cook)	Mil. lb.	1,065	1,156	1,506	1,302	1,355	1,459	1,521	1,678	1,900	113
Dairy products											
Total milk	Bil. lb.	123.3	123.1	125.7	126.3	125.2	127.0	124.2	119.9	119.3	99
Cheese 4/	Mil. lb.	1,396	1,478	1,635	1,592	1,632	1,723	1,755	1,856	1,897	102
Condensed and evaporated milk	Mil. lb.	2,789	2,666	2,631	2,409	2,369	2,395	2,178	2,185	1,919	88
Ice cream (product weight)	Mil. lb.	3,212	3,358	3,357	3,381	3,444	3,546	3,634	3,610	3,633	101
Fats and oils - Total fat content 5/	Mil. lb.	11,070	12,321	12,334	13,331	13,681	14,051	14,287	14,515	14,551	100
Butter (actual weight)	Mil. lb.	1,477	1,436	1,536	1,579	1,454	1,469	1,346	1,128	1,243	110
Lard 6/	Mil. lb.	2,584	2,562	2,514	2,476	2,473	2,473	2,045	1,929	2,077	108
Margarine (actual weight)	Mil. lb.	1,549	1,695	1,724	1,726	1,794	1,857	1,904	2,110	2,114	100
Shortening	Mil. lb.	2,022	2,313	2,456	2,689	2,584	2,664	2,792	3,181	3,226	101
Other edible fats and oils 7/	Mil. lb.	7,297	8,603	8,585	9,584	10,038	10,395	11.158	11,678	11,473	98
Fruits											
Fresh:											
Citrus	Mil. lb.	6,794	6,873	6,462	6,286	4,854	5,690	6,413	6,668	7,492	112
Apples (commercial)	Mil. lb.	3,859	3,156	3,449	3,417	3,447	3,569	3,375	3,213	3,100	96
Other (excluding melons)	Mil. lb.	4,072	3,927	4,036	4,017	3,657	3,623	3,770	3,846	3,433	89
Processed:											
Canned fruit	Mil. lb.	4,158	4,312	4,593	4,842	4,293	5,325	4,619	4,976	4,347	87
Canned fruit juices	Mil. lb.	2,688	2,620	2,430	2,522	2,636	2,190	2,257	2,545	2,765	109
Frozen (including juice)	Mil. lb.	1,556	1,620	1,741	2,037	1,232	1,533	1,657	1,577	2,136	135
Dried	Mil. lb.	694	695	758	723	773	832	863	860	662	77
Vegetables 8/											
Fresh 9/	Mil. lb.	19,881	21,442	20,971	20,691	20,984	20,694	21,207	21,299	22,130	104
Canned	Mil. lb.	7,694	7,864	8,727	9,424	8,857	8,749	9,061	9,435	10,649	113
Frozen	Mil. lb.	1,183	1,402	1,531	1,493	1,455	1,507	1,778	1,976	2,050	104
Potatoes and sweetpotatoes											
Potatoes	Mil. cwt.	252	257	293	265	271	241	291	307	306	100
Frozen potato products	Mil. lb.	287	551	579	762	861	1,118	1,219	1,459	1,500	103
Sweetpotatoes	Mil. cwt.	18.2	14.9	14.4	17.1	14.4	13.0	15.5	13.7	14.0	102
Dry edible beans 10/ 11/	Mil. lb.	1,782	1,741	1,967	1,794	1,998	1,738	1,646	1,996	1,547	78
Dry field peas 10/	Mil. lb.	385	367	384	566	552	568	466	435	439	101
Melons 9/	Mil. lb.	4,455	4,673	4,462	4,470	4,698	4,258	4,426	4,196	4,202	100
Sugar, raw basis	1,000 tons	12/2,732	4,012	4,268	4,399	4,870	5,587	5,371	5,288	5,294	100
Grains											
Wheat	Mil. bu.	1,177	1,355	1,233	1,092	1,147	1,283	1,316	1,312	1,524	116
Rye	Mil. bu.	28.3	33.1	27.3	40.7	29.2	32.5	33.2	27.8	24.1	87
Rice, rough	Mil. cwt.	45.7	53.7	54.6	54.2	66.1	70.3	73.2	76.3	85.1	112
Corn, grain only	Mil. bu.	3,409	3,907	3,598	3,606	4,019	3,484	4,084	4,117	4,722	115
Oats	Mil. bu.	1,247	1,153	1,010	1,012	966	852	927	801	782	98
Barley	Mil. bu.	447	429	392	428	393	386	392	393	370	94
Peanuts, farmers' stock 13/	Mil. lb.	1,591	1,718	1,657	1,719	1,942	2,099	2,384	2,410	2,473	103

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated. 50-State basis beginning 1960. 2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board. 3/ Includes an allowance for nonfarm production. 4/ Excludes full skim, cottage, pot, and baker's cheese. 5/ Includes butter, lard and "other edible fats and oils." 6/ Includes amount used in manufactured food and nonfood products. 7/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils; oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items. 8/ Excludes potatoes and sweetpotatoes. 9/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use. 10/ Cleaned basis. Beginning 1960, dry peas include lentils. 11/ Beginning 1959, excludes seed beans produced on contracted acreage. 12/ Excludes Hawaiian production. 13/ Beginning 1959 on a net-weight basis (cleaned and adjusted to standardized moisture content).

Pork consumption this summer and fall likely will continue slightly below year-earlier levels, judging from production prospects based on recent pig crop reports. Veal production has been declining in recent years--due largely to the decline in the dairy herd--and a further drop is underway again this year. Similarly, lamb and mutton consumption, which was down 14 percent in the first quarter, likely will continue to run below a year earlier for the balance of the year.

Production of broilers has been running near year-earlier levels, and consumption for the year likely will about equal the 1967 level. Turkey output is expected to drop significantly this year, but consumption probably will not drop as much because of large cold storage stocks held over from last year's high slaughter (tables 13 and 14). Egg consumption advanced strongly in 1967, in response to abundant supplies and sharply lower prices. But, a drop is likely later this year. Production rates have been dropping relative to a year earlier for several months and a continuation of this trend is likely into the summer.

Milk production in the first quarter was down 2½ percent from a year earlier on a daily average basis. Output likely will continue below a year earlier through at least the second quarter. Lower imports of dairy products--sharply curtailed by revised quota restrictions--also are contributing to reduced supplies. Retail prices averaged 2 percent higher than a year earlier in the first quarter and commercial disappearance of milk in all dairy products dropped about 5 percent.

Government holdings of dairy products increased; market removals of dairy products under the price support program were equivalent to 1.8 billion pounds of milk in the first quarter, compared with 2.2 billion pounds a year earlier.

Per capita consumption of butter in 1967 dropped to 5.5 pounds--about half the level for margarine. Commercial butter sales per person declined 7 percent last year, but larger donations for welfare, institutions, and school lunch use offset half of the decline. Further increases in donations this year may about maintain per capita butter consumption. Per capita consumption of cheese increased last year, as it has in each of the last several years.

Total fluid milk sales in 1967 fell about 1 percent from a year earlier, but sales of skim milk products increased about 13 percent. Commercial consumption of whole milk items was off about 3 percent. The rate of decline in consumption of fluid milk appeared to be slowing in early 1968, even though prices were rising. Although gaining sharply in some markets, sales of filled and synthetic fluid milk products remain a relatively small part of the total fluid market--probably less than half of 1 percent.

Production of lard is expected to decline this year, but output of vegetable oils likely will increase. Per capita consumption of total edible fats and oils is expected to total about the same as the 49 pounds (fat content basis) in 1967. Little or no change in consumption is likely for margarine, shortening, and cooking and salad oils, but the direct use of lard likely will be down.

Fishery Product Supplies Down 4/

Supplies of edible fishery products are running 10 to 12 percent below a year earlier in the early months of 1968. Imports of fishery products during January-February were slightly larger than a year earlier. Domestic landings were about the same. Stocks on April 1 were much lower than a year earlier, except for processed shrimp products. Supplies of fish and shellfish will increase seasonally as domestic landings pick up during the late spring and early summer. But, total supplies are expected to continue below last year's levels.

4/ Prepared from information supplied by Fish and Wildlife Service, U.S. Department of the Interior.

Retail fish prices rose gradually from November 1967 to February 1968. Prices likely will not show the usual seasonal decline in the second quarter of this year, because of tight supplies and recent increases in wholesale prices.

A slight decline in per capita consumption of fresh and frozen fish is expected this year. But, per capita consumption of canned fish and shellfish likely will hold at the 1967 level.

Among the fresh and frozen fillet items, only cod is likely to be more plentiful than a year ago. Supplies of haddock and flounder are expected to decline again in 1968. Current supplies of sticks and portions are a fifth below 1967. Canned salmon stocks have been short in recent months, but landings are expected to show an improvement over last year's low level.

Supplies of king crab, imported lobster tails, live lobsters, and scallops are scarce; prices are record high. King crab landings in Alaska in early 1968 were much below a year ago, and prices have risen steadily. Even when landings pick up seasonally this summer, prices are not expected to decline much. Imports of lobster tails in the second quarter are seasonally heavy, but holdings continue well below a year ago. Although stocks of scallops are well below those of a year ago, they rose in early 1968. Sharp price increases during the last half of 1967 have abated. Scallop prices probably will weaken seasonally in the spring, but remain far above a year ago.

Stocks of processed shrimp products and raw headless shrimp--except for larger sizes--are heavier than a year ago. Prices of raw headless shrimp are expected to continue gradually upward until about June and then decline seasonally--except for the large sizes.

Consumption of Crop Food Products About Steady

Per capita consumption of all food from crop commodities this year is expected to total about the same as in 1967 (table 2 and cover chart). On a retail price-weighted basis, this level would be 4 percent above the 1957-59 average and 2 percent above the 1950 level. It compares with a similar increase of 4 percent between 1957-59 and 1967 for total animal products. But the increase has been greater for animal products than for crops since 1950.

Large inventories of processed citrus products at the beginning of this year helped to offset the one-third drop in production of citrus. Supplies of fresh citrus fruits are expected to continue sharply below a year earlier until late fall when new crop harvests will begin. For the year, consumption of both fresh and processed citrus products likely will be down from high levels in 1967.

Remaining supplies of both fresh and processed noncitrus fruits from 1967 crops are substantially below those of a year earlier. Prices for most fruits--both fresh and processed--likely will continue above last year's level into the summer months. Prospects for noncitrus fruits, assuming a return to normal conditions, are for a substantially larger output in 1968.

Supplies of fresh vegetables this spring are indicated to be moderately smaller than a year earlier. Reductions are in prospect for cabbage, carrots, onions, and tomatoes. Lettuce is the only major vegetable expected to be in heavy supply. Stocks of processed vegetables this spring are much larger than a year earlier, with increases for all canned and frozen items. A prospective large pack of processed vegetables again this year may lead to lower prices and increased consumption of these vegetables.

The U.S. Department of Agriculture operated potato diversion and purchase programs in January-April that helped bring stocks down close to year-earlier levels. The rapid disappearance of storage stocks and prospects for smaller late spring output strengthened farm prices in April. Acreage indications point to smaller potato crops this summer and fall, compared with a year earlier. However, total per

capita consumption of potatoes likely will not differ much from 1967. A further increase in consumption of processed potatoes is likely.

Domestic consumption of wet processed corn food products (mostly corn sirup and corn sugar) in 1967 remained near the 1966 level, following a steady uptrend during the previous 10 years. Per capita consumption of cornmeal has declined slightly in recent years, following a more pronounced historical decline. Consumption of hominy grits and prepared cereals have each trended upward. Except for a possible increase for corn sirup, little change is expected in consumption of corn products during 1968.

Per capita consumption of wheat flour used in all cereal and bakery products dropped to 110 pounds in 1967, down 1 pound from a year earlier and down 9 pounds in the past decade. Production of wheat is expected to equal or exceed year-earlier levels in 1968 and again will far exceed domestic food demands. Per capita consumption of rice in 1967 leveled off at 7.3 pounds per capita, the same as a year earlier. Little change is likely in 1968, even though rice production likely will advance sharply in response to liberalized acreage restrictions.

Little change in per capita consumption of refined sugar occurred during 1967. No further change is in prospect for 1968, despite larger deliveries in the first quarter. There is ample sugar available for consumption again this year. If growers' planting intentions are realized, the mainland beet crop may be as much as one-fifth larger than a year ago, assuming normal weather. Hawaiian cane output likely will be about the same as a year ago. Puerto Rican output for 1968 will be lower than last year. U.S. mainland sugar cane output likely will be down somewhat, since large remaining stocks from prior mainland cane crops are the basis for a mandatory acreage reduction.

Per capita coffee consumption increased slightly to 14.7 pounds (green bean basis) in 1967. It reversed a rather steep downtrend from 1962 when 15.9 pounds were consumed. Domestic roastings of regular coffee last year were fractionally larger than in 1965 and 1966. But domestic roastings for instant coffee production reached their lowest level in a decade, due to higher yeilding methods of processing and increased imports of instant coffee in 1967. Per capita consumption of instant coffee expanded 3.5 percent, but remained around 17 percent of total coffee consumption on a green bean basis.

Imports of green coffee beans in the first quarter of 1968 were up 13 percent from a year ago, as stock levels were rebuilt, and imports of instant coffee rose sharply. Green coffee imports for the year likely will exceed last year's total. Prospects for imports of instant coffee are less certain but likely will be around 1967 levels.

Per capita cocoa and chocolate consumption totaled 4.2 pounds (cocoa bean basis) in 1967, the same as in 1966. First-quarter 1968 grindings were up 2 percent from a year earlier. But, cocoa bean imports were down by one-half and imports of products were down 8 percent. Imports of cocoa and chocolate products for the year probably will be near last year's level, but imports of cocoa beans likely will decline. Confectionery consumption is expected to continue to rise, but per capita use of total cocoa may remain about the same as last year.

USDA Food Donations

USDA donations of food to schools, institutions, and needy persons in calendar 1967 totaled 1.8 billion pounds (table 15). It represented an 18-percent rise from the reduced level of 1966. But, with a much-expanded Food Stamp Program, direct food donations in 1967 remained below those of any other year since 1960. Combined in terms of constant dollars,

Table 15.--USDA domestic donations of commodities to schools, institutions, and needy persons, 1960-67 1/

Item	1960	1961	1962	1963	1964	1965	1966	1967
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat								
Beef	56.8	62.9	41.0	26.8	196.9	201.0	53.1	100.0
Pork	29.8	68.8	31.1	28.1	20.4	.1	---	---
Lamb	.2	12.1	.1	---	---	---	---	---
Mixtures	---	63.3	143.0	122.8	63.0	35.5	51.0	83.0
Total	86.8	207.1	215.2	177.7	280.3	236.6	104.1	183.0
Poultry								
Turkey	20.2	50.1	42.7	47.6	56.4	39.6	20.2	61.2
Poultry, other	3.6	33.3	41.9	55.9	53.9	33.9	45.1	51.0
Total	23.8	83.4	84.6	103.5	110.3	73.5	65.3	112.2
Eggs 2/	22.3	24.0	10.3	8.8	16.7	2.8	---	2.1
Dairy products								
Butter	82.9	147.6	160.7	169.0	179.9	132.9	50.9	108.4
Cheese	27.4	23.3	143.6	129.6	133.4	82.0	4.6	81.2
Nonfat dry milk	107.5	170.6	179.0	165.1	153.0	147.9	127.1	108.4
Total	217.8	341.5	483.3	463.7	466.3	362.8	182.6	298.0
Fats and oils								
Lard and shortening	48.7	108.5	97.3	96.1	91.5	89.2	90.0	78.9
Margarine	---	---	---	---	---	31.6	44.5	24.4
Fruits								
Fresh	---	8.6	16.2	26.9	26.1	9.1	---	18.4
Canned	76.7	101.7	87.6	66.0	103.1	94.0	88.4	78.7
Dried	1.5	.1	10.5	---	1.4	1.0	38.7	35.4
Frozen	---	---	---	---	---	4.0	4.7	109.1
Total	78.2	110.4	114.3	92.9	130.6	108.1	131.8	241.6
Vegetables								
Fresh	---	2.2	---	---	---	---	.5	---
Canned	40.4	54.5	74.9	86.1	89.2	50.9	48.9	48.9
Dried beans and peas	15.4	109.6	141.0	114.4	106.0	81.2	37.8	83.5
Total	55.8	166.3	215.9	200.5	195.2	132.1	87.2	132.4
Potatoes and sweetpotatoes	3.5	8.2	38.1	25.6	---	9.4	24.2	14.7
Cereal products								
Bulgur	---	---	---	2.2	4.4	4.9	4.9	5.1
Cornmeal and grits	124.1	183.9	179.5	155.3	158.3	151.0	141.6	113.4
Oats (rolled)	---	43.5	1.5	---	---	---	.6	28.7
Rice	95.7	123.6	122.9	125.1	104.2	95.8	87.6	70.1
Wheat flour	339.7	489.7	505.7	466.6	482.6	482.9	445.2	399.0
Wheat (rolled)	---	---	80.2	65.4	57.6	51.5	43.6	21.6
Total	559.5	840.7	889.8	814.6	807.1	786.1	723.5	637.9
Other 3/	7.9	39.4	41.0	37.5	44.6	42.3	42.9	37.1
Total all commodities	1,104.3	1,929.5	2,189.8	2,020.9	2,142.6	1,874.5	1,496.1	1,762.3

1/ Includes commodities distributed under the National School Lunch Program; excludes distribution to U.S. Territories. Data are in terms of product weight so for some items are not comparable over time.
2/ Shell eggs and dried. 3/ Includes olive oil, peanut butter, and minor amounts of other items.

food donations were half again larger than in 1966. Donated food represented around 0.9 percent of all food consumed by civilians in 1967, up from 0.6 percent in 1966. On balance, the increase represented around a sixth of the total increase in per capita food consumption in 1967.

There was an improvement in quality as well as quantity of foods donated in 1967. Beef and butter donations, which had dropped to low levels in 1966, doubled in 1967. Turkey donations to schools bounced back sharply from 1966, to reach a record high. Chicken donations, which also go to schools, remained near record levels. Donations of cheese, which had virtually stopped in 1966, returned to the list at the 1965 level. Primarily because of the substantial donations of frozen concentrated orange juice, fruit donations in 1967 nearly doubled those of any previous year. Donations of cereal products dropped 12 percent.

Over half of the federally donated food went for school lunches and over a third went to needy families in 1967. The remaining 8 percent went to charitable institutions. Needy families and institutions received primarily surplus commodities. But supplementary foods, designed to meet the needs of the School Lunch Program, accounted for about 20 percent of the food directly donated to schools, or about 12 percent of all food donated.

In the last 6 months of 1967, 4 percent less food was donated to needy families than in the same period of 1966. But because fewer persons participated in the program, the amount per person increased. The drop in participation was attributed to improved economic conditions and the transfer to the Food Stamp Program in many areas.

The total food purchased by food stamp participants increased from $174 million in fiscal year 1966 to $296 million in fiscal 1967. Federal support, in the form of bonus coupons, went up from $65 to $106 million, or 63 percent. About 50 percent more people participated in this program.

MILITARY AND CIVILIAN FOOD CONSUMPTION

Per Capita Military Use Exceeds Civilian Use

Military food procurement per capita during 1965-67 was 19 percent higher than in 1957-59 (table 16). Over the same period, civilian per capita food use rose only 1 4 percent. 5/ However, the military continued to account for only a little more than 2 percent of total U.S. food use. As a result, total domestic food use per capita expanded only slightly faster than civilian use--1.7 percent since 1957-59.

Although military food procurement during the Vietnam buildup has expanded significantly, per capita military use remained around 18 percent lower than during the Korean conflict, 1951-53. Part of this difference may be due to different rates of civilian feeding and other uses in combat areas.

The increase in total food procurement by the military since 1957-59 has been about twice as great as indicated by per capita procurement because the military force expanded 15 percent. But the size of the military force, at 3.1 million in 1965-67, averaged about 11 percent smaller than during the Korean conflict. Total military procurement in the recent period was about a fourth lower than during the Korean conflict, but the total food market had expanded in the interim. Consequently, military use in 1965-67 was less important relative to total U.S. food use than in 1951-53.

The military data are derived on the basis of central food procurement as reported by the U.S. Department of Defense with some adjustment by USDA for local procurement. All centrally procured food is assumed to have been used for troop feeding, and military personnel are assumed to obtain all of their food from military sources. Neither assumption is entirely correct but the errors tend to be offsetting.

Approximately 15 percent of the average of $1.1 billion of centrally procured food in 1965-67 was sold through commissaries. But this amount represented only a small proportion of total commissary purchases. Total sales of food by commissaries, exchanges, and clubs totaled $2.0 billion in fiscal year 1966. 6/ Data on these sales, which include food used by dependents and retired personnel, are not available on a commodity basis and not included in the procurement data.

Shifts in Food Use

The pattern of food use by the military in 1965-67 differed considerably from that during the Korean conflict. And, it differed from civilian food use during both periods. Troop feeding under combat conditions has improved considerably. The men in Vietnam receive mostly class "A" meals, which consist of centrally prepared food and include many fresh foods. Individual rations are less commonly used than in Korea.

Military procurement has shifted to the use of less pork and more beef per capita. Per capita procurement of all meat is up only slightly from 1951-53, but it continues close to twice the rate of civilian meat consumption.

Military procurement of eggs has declined and chicken and turkey increased over the periods compared. The military

5/ The Food Use Index, based on use of prices received by farmers as index weights, increased slightly less than the Food Consumption Index, based on use of retail prices as index weights. See tables 2 and 8.

6/ Army Times Publishing Company, Military Market Facts: 1966-67.

Table 16.--Military, civilian, and total per capita food use, by major commodities (primary distribution weight), 1951-53, 1957-59, and 1965-67 averages 1/

Commodity	1951-53			1957-59			1965-67		
	Military	Civilian	Total	Military	Civilian	Total	Military	Civilian	Total
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Meats (carcass weight) - Total	296.0	146.4	150.0	219.3	156.6	157.5	307.7	171.5	173.7
Beef	164.6	65.3	67.7	129.3	82.1	82.8	209.0	103.0	104.7
Veal	17.7	7.7	8.0	15.9	7.1	7.2	15.2	4.5	4.7
Lamb and mutton	1.4	4.1	4.1	1.5	4.4	4.3	1.3	3.9	3.8
Pork (excluding lard)	112.3	69.3	70.2	72.6	63.0	63.2	82.3	60.1	60.5
Fish (edible weight)	11.7	11.3	11.3	11.1	10.5	10.6	14.5	10.7	10.8
Poultry products									
Eggs (farm basis) - Number	446	387	389	324	356	355	395	317	318
Chicken (ready-to-cook)	28.6	21.9	22.1	27.4	27.5	27.5	32.3	35.5	35.5
Turkey (ready-to-cook)	11.1	4.6	4.8	11.5	6.0	6.1	15.8	8.0	8.1
Dairy products									
Total milk fat solids (including butter)	30.6	27.6	27.8	37.8	25.6	25.8	29.0	22.2	22.3
Total nonfat milk solids	42.6	43.9	43.9	44.8	43.9	43.9	43.5	42.0	42.0
Cheese	6.3	7.4	7.4	4.1	7.9	7.9	6.1	9.7	9.7
Condensed and evaporated milk	38.6	17.8	18.2	18.1	14.8	14.9	14.2	9.8	9.9
Fluid milk and cream (milk equivalent)	257	350	349	370	337	338	355	295	296
Ice cream (product weight)	28.6	17.8	18.0	36.3	18.2	18.4	30.0	18.2	18.4
Fats and oils - Total fat content	46.3	43.4	43.5	42.6	45.3	45.3	50.3	48.3	48.3
Butter (actual weight)	12.6	8.9	9.0	19.3	8.2	8.3	12.3	5.9	6.0
Margarine (actual weight)	11.1	7.5	7.6	1.5	8.9	8.8	11.3	10.3	10.3
Lard	6.0	11.8	11.7	.7	9.3	9.1	.3	5.8	5.7
Shortening	13.1	9.8	9.9	12.2	11.4	11.5	18.7	15.3	15.3
Other edible fats and oils	8.0	8.5	8.5	12.6	10.8	10.9	12.3	14.2	14.2
Fruits									
Fresh (farm weight) - Total	62.9	113.4	112.2	63.4	95.5	95.0	62.3	81.5	80.1
Citrus	34.0	44.3	44.1	28.9	34.0	33.9	26.1	29.9	29.9
Apples (commercial)	16.3	22.7	22.6	13.0	21.0	20.9	18.7	16.0	16.0
Other (excluding melons)	12.6	46.3	45.6	21.5	40.5	40.2	17.4	35.6	35.3
Processed:									
Canned fruit and chilled citrus	89.4	20.6	22.1	46.3	22.8	23.1	71.9	23.4	24.1
Canned juice and chilled citrus juice	30.9	14.1	14.4	17.0	15.6	15.7	40.6	14.5	15.0
Frozen (including juices)	4.9	3.1	3.1	10.7	8.6	8.6	14.5	8.9	9.0
Dried	2.3	3.8	3.8	1.2	3.3	3.2	2.2	2.9	2.9
Vegetables									
Fresh (commercial sales)	101.1	110.9	110.7	85.6	104.1	103.8	95.2	98.6	98.5
Canned, excluding potatoes and sweet-potatoes	121.1	41.5	43.3	79.3	43.3	43.9	104.8	45.9	46.8
Frozen, excluding potatoes	18.0	4.7	5.0	19.3	6.6	6.8	19.7	9.1	9.2
Potatoes and sweetpotatoes									
Potatoes, fresh equivalent 2/	182.0	107.8	109.5	147.4	106.9	107.5	172.9	112.0	112.9
Frozen potatoes, product weight	1.1	.3	.3	.7	1.6	1.6	3.2	6.7	6.6
Sweet potatoes, fresh equivalent 2/	11.4	8.5	8.6	6.7	8.3	8.3	5.8	6.1	6.1
Dry edible beans	14.9	7.9	8.1	4.4	7.7	7.6	4.2	6.7	6.6
Melons	12.3	26.7	26.4	6.7	25.1	24.8	9.0	22.2	21.9
Sugar (refined), direct use only	60.6	33.4	34.1	44.4	32.8	33.0	50.5	26.7	27.5
Grains									
Cornmeal and flour	5.1	10.4	10.2	3.0	7.4	7.3	2.6	5.6	5.6
Corn sirup	13.4	8.9	9.0	14.1	9.4	9.5	14.8	13.9	13.9
Corn sugar	6.0	4.0	4.1	4.8	3.6	3.6	4.5	4.5	4.5
Oat food products	4.0	3.3	3.3	3.7	3.5	3.5	3.5	3.7	3.7
Wheat flour 3/	137	131	131	117	120	120	79	112	113
Wheat cereals	3.1	3.0	3.0	2.6	2.8	2.8	2.9	2.9	2.9
Rye flour	---	1.5	1.5	---	1.2	1.2	---	1.2	1.2
Rice, milled	9.7	5.5	5.6	5.0	5.4	5.4	3.7	7.4	7.3
Other									
Coffee, (green bean basis)	30.6	16.8	17.1	15.9	15.7	15.7	18.7	14.7	14.7
Tea	.57	.65	.65	.74	.58	.59	1.29	.68	.69
Cocoa beans	3.4	3.8	3.8	1.1	3.5	3.5	1.3	4.1	4.1
Peanuts (shelled)	2.2	4.5	4.4	1.2	4.6	4.5	1.6	5.5	5.5
Total food									
Index (1957-59=100) 4/	137.0	99.1	100.2	100.0	100.0	100.0	119.2	101.4	101.7
Proportion of total use	2.8	97.2	100.0	2.2	97.8	100.0	2.2	97.8	100.0
Population July 1 (million) 5/	3.5	153.4	156.9	2.7	171.5	174.2	3.1	193.8	196.9

1/ Data on calendar year basis except for dried fruits which are on pack year basis, fresh citrus fruits and peanuts on a crop year basis and rice on August year. Military use includes an unknown amount of civilian feeding and allied force use of military supplies. No allowance is made for military eating out of U.S. civilian supplies, nor for civilians eating out of military supplies. Military data are based on central procurement data provided by the U.S. Department of Defense supplemented by USDA estimates of local procurement. Data for fluid milk and cream and grain products largely estimated.

2/ Includes canned and frozen.

3/ Includes white, whole wheat and semolina flour.

4/ Components of the Index of Supply and Utilization of Farm Food Commodities, on a per capita basis.

5/ July 1 population (50-State for 1965-67) used to derive per capita figures except for dried fruit, peanuts, and rice.

continued to use about twice as much turkey per capita as civilians. Procurement of eggs was larger but chicken smaller than civilian use.

Military per capita use exceeded that of civilians for most dairy products, except cheese. Military procurement per capita of total dairy products did not change much between the 2 time periods, although civilian consumption declined. However, the military in recent years used less condensed and evaporated milk than previously. Butter procurement per capita in 1965-67 averaged about the same as in 1951-53. Use of shortening and other edible fats and oils has increased considerably, but direct use of lard has dropped.

The military uses large quantities of fruits and vegetables, particularly processed items. Military per capita procurement in 1965-67 was triple civilian food use for canned fruit and juice and nearly twice the civilian level for canned and frozen vegetables. Per capita procurement of fresh fruits and vegetables was lower than civilian food consumption. The military dropped back per capita procurement of canned fruits and vegetables since the Korean conflict. But, per capita procurement of fresh fruits and vegetables has been about maintained, even though civilian consumption declined.

Military procurement of potatoes much exceeded civilian use in all 3 periods compared. Military use continued near the level during the Korean War. Procurement of dry edible beans dropped substantially since the Korean conflict, falling below civilian consumption in recent years.

Coffee procurement by the military in 1965-67 continued to exceed civilian use, although the rate was down substantially from the Korean conflict.

IMPORTANCE OF FOREIGN TRADE IN AGRICULTURAL COMMODITIES 1/

Value of Food Exports Declines in 1967

The value of food products exported in calendar year 1967 dropped to $3.5 billion--6 percent below a year earlier (table 17). Exports of nonfood commodities also declined. The total value of exports of agricultural commodities declined 7 percent to $6.4 billion. Part of the drop was due to lower prices, which averaged about 1½ percent lower for products exported. Agricultural exports accounted for one-fifth of all commodities exported from the United States in 1967.

Both animal and crop products shared in the decline in exports of food in 1967. The major contributing factor, however, was a large drop in exports of wheat and flour. A substantial increase in exports of rice--mostly to Vietnam--partly offset the decline.

Value of Food Imports Up Slightly

The total value of food commodity imports rose from $3.3 billion in 1966 to $3.4 billion in 1967. Prices averaged about 1 percent lower for the products imported. Increases in the value of imports of sugar, beef and veal, and vegetables more than offset lower imports of coffee, the most important food product imported. Prices were higher for sugar, but lower for coffee. Imports of dairy products rose substantially during the first half year, but dropped sharply in the second half for an overall drop of 3 percent. Agricultural products accounted for about one-sixth of all commodities imported into the United States in 1967.

Exports In Relation to Domestic Supply 2/

The volume of exports accounted for 14 percent of total annual utilization of all U.S. farm commodities in 1967. This percentage was significantly larger than a decade earlier, but down 1 percentage point from 1966. Export markets were much more important for crop than for livestock commodities, and more important for nonfood than for food commodities (all commodities with any direct food use). In 1967, exports accounted for 18 percent of annual utilization of crop products, down from 19 percent in 1966. For livestock commodities, 2½ percent of total utilization was exported in each year. Exports of food commodities accounted for 12 percent of utilization in 1967 (table 9, page 16).

Domestic production supplied 93 percent of the total annual utilization of farm food commodities in 1967, up significantly from 87 percent in 1966. Imports accounted for 10 percent of utilization in both years. With U.S. production plus imports greater than total utilization in 1967, 3½ percent of the total went into a buildup of carryover stocks. This situation was a reversal from 1966, when flows out of stocks of food commodities contributed 2½ percent to total annual utilization.

1/ By Stephen J. Hiemstra, Head, Food Consumption Section, Economic Research Service.

2/ All of the data in this and later sections were developed from the "supply and utilization" data developed in the Food Consumption Section, ERS. Quantity data are aggregated using constant prices received by U.S. farmers or their equivalent, for the sake of consistency in developing indexes of total supply and utilization of all farm commodities. However, this methodology introduces problems when comparing with current values of exports and imports based on unit values of only the specific items involved, as reported in table 17.

Table 17.--Value of exports and imports for consumption, calendar years, 1966 and 1967 1/

Item	Exports			Imports		
	1966	1967 2/	Change	1966	1967 2/	Change
	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Mil. dol.	Pct.
Food:						
Animal products:						
Dairy products	126	121	-4	3/118	3/115	-3
Beef and veal	18	20	11	354	404	14
Pork	21	18	-14	202	203	---
Poultry meat	52	46	-12	1	1	---
Lard and other fats	38	34	-11	---	---	---
Total 4/	341	320	-6	750	791	5
Crop products:						
Bananas	---	---	---	179	174	-3
Other fruits	315	310	-2	130	138	6
Tree nuts	38	43	13	82	77	-6
Vegetables and preparations	176	164	-7	3/145	3/168	16
Vegetable oils	138	137	-1	69	68	-1
Soybeans	767	772	1	---	---	---
Rice	230	320	39	1	1	---
Wheat and flour	1,564	1,238	-21	4	1	-75
Coffee	20	18	-10	1,080	994	-8
Cocoa	3	2	-33	149	184	23
Tea	---	1	---	57	58	2
Sugar and related products	38	43	13	509	598	17
Wines and malt liquors	2	2	---	100	109	9
Total 4/	3,374	3,162	-6	2,579	2,644	3
All food	3,715	3,482	-6	3,329	3,435	3
Nonfood:						
Animal products:						
Live animals	36	46	28	118	80	-32
Hides and skins	154	127	-18	83	54	-35
Wool	9	7	-22	229	140	-39
Inedible tallow	153	144	-6	---	---	---
Total 4/	385	355	-8	483	327	-32
Crop products:						
Cotton and linters	440	470	7	24	34	42
Tobacco	482	499	4	127	129	2
Inedible oils and oilseeds	97	90	-7	109	107	-2
Oil cake and meal	227	246	8	4	4	---
Corn	876	703	-20	5	5	---
Other feed grains	458	351	-23	15	18	20
Rubber and allied gums	11	10	-9	177	170	-4
Total 4/	2,781	2,549	-8	679	692	2
All nonfood	3,167	2,904	-8	1,162	1,020	-12
All agricultural	6,881	6,386	-7	4,491	4,455	-1
Complementary imports	---	---	---	1,864	1,756	-6
Supplementary imports	---	---	---	2,627	2,699	3
Nonagricultural	22,062	24,234	10	20,869	22,288	7
Total, all commodities	28,944	30,620	6	25,360	26,742	5

1/ Compiled from Foreign Agricultural Trade of the United States, February and March 1968. Food use of items such as oils, oilseeds, and grains is approximated. 2/ Preliminary. 3/ Dairy products include articles containing over 20 percent by weight of butterfat previously included in other vegetable preparations. 4/ Includes miscellaneous items in addition to those enumaterated above.

Exports of imported products are small and stock changes likely consist primarily of domestically produced commodities. Consequently, it may be more meaningful to compare exports with domestic production plus the change in carryover stocks (utilization from domestic supply) rather than with total utilization, which includes imports. On this basis, exports accounted for 15 percent of the total domestic supply of all farm and fishery products in 1967, 21 percent for crop foods and 2½ percent for livestock (table 18). **Exports are relatively less important for fishery products than U.S. farm commodities.**

Export markets are important outlets for many U.S. crop products. In 1967, half or more of the total utilization of wheat and rice and a third of the oilseeds and products were exported. Exports were also very important for feed grains-- 13 percent of total utilization of corn and 27 percent for grain sorghums. Export markets took 10 percent of the fruit in 1967, but only 3½ percent of total vegetable and potato products.

Export markets are important for many livestock by-products, such as edible offal, inedible tallow, and lard. However, only 2 to 3 percent of the total utilization of most livestock and poultry products were marketed overseas in 1967. Only 3 percent of the lamb and mutton, but 17 percent of the domestic supply of wool and mohair were exported last year.

Imports In Relation to Domestic Use

Foreign countries are a less important source of U.S. food and other farm products than are export markets for domestic supplies. Imports provided about 13 percent of the total domestic utilization of all farm and fishery products in 1967, down slightly from the year previous. Imported fishery food products, which furnish about half of the total domestic use of these products, alone pushed the total up by half of 1 percentage point.

Overseas sources supplied all or virtually all of the U.S. market for coffee, tea, cocoa, bananas, copra, olive oil, cashews and several other treenuts, and most spices and condiments. Items not grown in this country were of such importance that a tenth of the total domestic use of all food oils and oilseed products and a fourth of all treenuts were imported in 1967. Only a small part of total domestic use of vegetables, fruits other than bananas, food grains, and feed grains was imported.

The importance of many complementary crops resulted in importing an average of 15 percent of the total domestic use of all crop products in each of the last 3 years. About nine-tenths of the crop imports were food commodities (all commodities with any direct food use). In contrast, U.S. exports are more heavily weighted with nonfood commodities. Only a little over one-half of the total domestic use of food crop products is for direct food use, with the balance used for feed, seed, and other nonfood purposes Consequently, imports made up around three-tenths of the total crop foods used directly for food.

Imports of all livestock products were more important in relation to domestic utilization than were export markets as an outlet for U.S. products. Food uses of imported livestock and products accounted for 70 percent of total imports of livestock products, with large imports of wool accounting for the bulk of nonfood agricultural products. Only 3 percent of all livestock food products consumed in this country came from foreign sources.

Imports provided much of the mutton, but little of the lamb consumed in this country. Lamb and mutton imports together supplied a fifth of the domestic market in 1967, with 90 percent of these imports consisting of mutton used almost entirely in processed foods. Beef imports were substantial, accounting for nearly 6 percent of domestic utilization in 1967. Most was "manufacturing-grade" beef,

Table 18.--Exports and imports of farm and fishery products in relation to domestic supply and utilization, by major commodities, calendar years, 1965-67 1/

Commodity group	Exports as a percentage of domestic supply			Imports as a percentage of domestic utilization		
	1965	1966	1967 2/	1965	1966	1967 2/
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Livestock and products						
Cattle and calves	3.5	3.2	3.3	4.3	5.1	5.6
Hogs	2.2	2.1	2.0	2.7	3.1	2.9
Lamb and mutton	2.1	2.6	3.4	21.8	25.1	21.4
Wool and mohair	21.4	20.2	16.8	82.3	80.9	73.5
Dairy products	4.0	2.1	2.0	.6	1.7	1.8
Poultry products	2.0	1.7	1.7	3/	.1	3/
Other livestock	4.7	4.8	5.3	4.7	4.8	7.7
All livestock products	3.2	2.5	2.5	4.3	5.0	4.6
Fishery products	7.8	9.0	8.4	44.9	51.9	48.3
Crop products						
Fruit, total	9.7	10.7	10.0	18.7	19.5	19.1
Bananas	0	0	0	99.8	99.6	99.6
Other	9.7	10.7	10.0	3.6	3.6	3.6
Treenuts, total	10.1	9.8	9.3	22.5	27.0	25.5
Domestic crops 4/	10.1	9.8	9.3	3/	3.3	4.1
Cashews, other treenuts	0	0	0	100.0	100.0	100.0
Vegetables and potatoes 5/	3.4	3.6	3.4	1.9	2.0	2.4
Food grains	51.1	56.1	52.4	.7	.7	.7
Feed grains	15.8	15.5	13.5	.2	.2	.1
Food oils and oilseeds, total	37.1	35.2	35.8	10.3	10.5	9.3
Domestic crops 6/	37.1	35.2	35.8	.3	.3	.6
Copra, other oils and oilseeds	---	---	---	102.7	93.2	91.8
Sugars and sirups 7/	1.4	1.2	1.2	46.0	48.2	50.2
Coffee, tea, cocoa	---	---	---	99.4	102.1	97.8
Nonfood crops 8/	18.0	18.0	19.6	6.6	7.3	8.2
All crop products	21.4	22.1	21.0	15.3	15.2	15.5
Net total commodities 9/	16.0	16.8	15.5	13.0	13.9	13.4

1/ Domestic products are weighted using 1957-59 average farm and wharf prices; nondomestic, dockside prices. Domestic supply equals production plus stock changes (total utilization minus imports); domestic utilization equals total utilization minus exports. On 50-State basis.
2/ Preliminary.
3/ Less than 0.05 percent.
4/ Almonds, filberts, walnuts, pecans and macadamias.
5/ Includes dried beans and peas, cowpeas, popcorn, and mustard seed.
6/ Sunflower seed, cottonseed, flaxseed, peanuts, and soybeans.
7/ Inshipments from Puerto Rico and Virgin Islands, included with imports, amounted to 7.4 percent of domestic utilization in 1965, 6.1 percent in 1966, and 6.0 percent in 1967.
8/ Cotton, tobacco, broomcorn, field crop seeds, hay, hops, sorghum forage and silage, vegetable seeds, and nonfood oil crops (castor beans, palm kernels and palm fruit, rapeseed, and tung nuts).
9/ Seed and feed used domestically excluded to avoid duplication in aggregating crop and livestock commodities.

equivalent to U.S. cow beef. Relatively small proportions of pork and dairy products and almost no poultry products were imported in 1967.

Imports of fishery products were very important again in 1967. As a proportion of domestic utilization, they declined slightly from the 1966 level, although they remained substantially larger than a decade earlier. Production of domestic fishery products has remained relatively stable in recent years, with all of the increase in the total market going to foreign suppliers. Shrimp is the most important product imported, but imports of tuna, groundfish, and lobster tails also are important. Imports of shellfish have accounted for much of the increase in total fishery products in recent years.

The next issue of the National Food Situation is scheduled to be available August 12, 1968.

The summary is scheduled to be released to the press immediately after the Outlook and Situation Board meeting August 6, 1968.

Table 19.--Wholesale price indexes, selected items, 1947-68
(1957-59=100)

Year and month	Farm products			Processed foods and feeds														
				Meats														
	Eggs	Fresh and dried fruits and vegetables 1/	Total 2/	Beef and veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables 1/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 3/	Total 4/	All food 5/	Industrial commodities 6/	All commodities
1947-49	133.6	94.3	109.2	97.1	112.6	100.9	174.3	80.5	88.6	93.0	123.5	84.8	87.2	75.3	93.9	94.4	79.0	84.2
1950	113.4	86.1	106.4	106.8	98.3	103.6	148.5	80.7	84.0	92.8	101.8	83.9	85.1	83.5	93.2	93.0	82.9	86.8
1951	144.2	91.7	123.8	128.4	103.8	120.2	163.5	86.3	95.4	98.1	120.0	90.6	92.2	89.0	103.5	104.1	91.5	96.7
1952	128.0	113.4	116.8	122.3	101.6	110.8	149.8	85.7	100.6	97.6	98.7	90.6	94.8	90.8	102.3	102.7	89.4	94.0
1953	141.2	94.6	105.9	89.6	111.8	93.0	144.6	85.2	97.9	97.3	103.3	92.8	95.3	92.4	97.6	98.5	90.1	92.7
1954	106.7	93.5	104.4	88.0	115.9	92.4	121.4	85.2	94.0	97.2	105.0	96.5	98.0	102.9	99.3	97.7	90.4	92.9
1955	114.6	98.1	97.9	85.7	94.0	83.5	128.0	84.9	94.0	98.1	100.6	98.5	96.3	99.1	95.0	95.3	92.4	93.2
1956	109.4	98.2	96.6	82.3	87.8	79.8	108.4	91.9	96.2	100.4	105.4	97.6	95.7	101.5	94.8	95.2	96.5	96.2
1957	103.2	97.7	99.2	87.9	102.5	91.9	101.5	96.2	98.9	96.6	106.3	99.1	98.9	101.6	97.6	98.1	99.2	99.0
1958	109.2	105.6	103.6	105.3	108.3	108.9	102.2	103.5	99.8	102.0	102.3	99.9	100.8	99.4	102.5	103.3	99.5	100.4
1959	87.6	96.8	97.2	106.8	89.2	99.2	96.3	100.3	101.3	101.4	91.4	101.1	100.4	99.0	99.9	98.5	101.3	100.6
1960	103.2	100.6	96.9	100.6	91.0	96.8	99.9	102.0	105.0	99.5	90.5	103.2	101.8	98.8	100.0	100.0	101.3	100.7
1961	99.0	93.7	96.0	97.0	93.9	95.1	85.8	107.9	107.5	101.7	102.7	105.1	101.2	98.6	101.6	100.0	100.8	100.3
1962	95.2	97.7	97.7	103.2	94.1	97.8	90.2	119.2	106.9	98.0	97.3	107.6	102.2	99.0	102.7	100.6	100.8	100.6
1963	94.0	96.1	95.7	95.7	88.3	91.5	88.6	112.0	107.5	103.9	88.2	107.3	118.4	100.9	103.3	100.4	100.7	100.3
1964	90.8	103.2	94.3	90.5	88.3	89.0	87.4	107.4	107.8	104.8	89.7	107.8	111.8	106.2	103.1	100.8	101.2	100.5
1965	93.5	101.8	98.4	95.6	108.2	100.8	90.9	112.8	108.5	102.1	101.2	109.0	109.0	105.7	106.7	104.5	102.5	102.5
1966	107.9	102.5	105.6	104.1	117.5	109.9	97.3	127.2	118.5	104.8	104.6	115.4	110.5	105.8	113.0	110.7	104.7	105.9
1967	84.3	101.6	99.7	7/105.8	7/105.1	105.5	86.0	125.2	122.0	107.2	102.0	117.1	113.0	106.5	111.7	108.6	106.3	106.1
1968																		
January	73.8	108.1	99.0	107.4	103.5	105.1	87.0	134.0	123.8	113.7	100.2	117.1	113.4	107.9	112.4	109.5	107.8	107.2
February	80.0	112.5	101.3	109.6	104.0	106.7	93.2	133.4	124.0	113.8	100.2	117.4	113.7	108.6	113.3	111.1	108.3	108.0
March	80.9	114.5	102.1	110.1	102.8	106.8	89.7	130.1	123.3	114.4	100.2	117.4	113.7	108.9	112.9	111.0	108.6	108.2
April																		
May																		
June																		
July																		
August																		
September																		
October																		
November																		
December																		
	Seasonally adjusted																	
1967																		
January	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
February	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
March	87.8	95.4	99.2	---	---	---	---	---	121.1	104.0	100.2	117.7	113.0	105.9	111.0	---	---	---
April	86.4	92.0	97.3	---	---	---	---	---	120.8	103.9	101.1	117.1	111.4	106.1	110.8	---	---	---
May	89.3	98.4	101.5	---	---	---	---	---	122.4	105.0	101.9	117.8	112.3	106.1	111.6	---	---	---
June	87.4	110.4	103.9	---	---	---	---	---	123.4	106.2	102.5	117.4	113.5	106.2	113.1	---	---	---
July	92.6	104.5	101.9	---	---	---	---	---	122.5	106.8	102.1	116.3	114.5	106.3	112.4	---	---	---
August	78.2	101.5	98.8	---	---	---	---	---	122.2	109.0	102.6	117.0	114.1	106.3	112.2	---	---	---
September	81.7	96.3	97.6	---	---	---	---	---	122.0	109.0	103.6	116.8	114.1	106.7	112.4	---	---	---
October	70.6	97.0	97.7	---	---	---	---	---	122.3	109.1	102.5	116.8	113.8	107.4	111.3	---	---	---
November	71.8	103.7	96.8	---	---	---	---	---	121.9	111.4	101.2	116.7	113.9	107.5	111.1	---	---	---
December	85.2	110.2	100.0	---	---	---	---	---	122.9	112.7	100.4	116.9	112.5	107.7	111.5	---	---	---
1968																		
January	74.8	111.1	98.7	---	---	---	---	---	123.3	112.9	98.6	117.1	112.1	107.9	111.7	---	---	---
February	83.1	113.3	101.1	---	---	---	---	---	124.0	113.8	99.0	117.5	112.4	108.6	113.2	---	---	---
March	79.4	113.0	102.2	---	---	---	---	---	123.8	114.4	99.3	117.6	113.7	109.1	113.6	---	---	---
April																		
May																		
June																		
July																		
August																		
September																		
October																		
November																		
December																		

1/ Includes potatoes. 2/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 3/ Includes alcoholic beverages. 4/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately. 5/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 6/ Prior to 1967, includes manufactured animal feeds, soft drinks, and alcoholic beverages. 7/ Annual average computed by Economic Research Service.
Bureau of Labor Statistics.

Table 20.--Retail food price indexes and Consumer Price Index, selected periods
(1957-59=100)

Year and month	Food at home																	Consumer Price Index
	Meats								Fruits and vegetables							Food away from home	All food	
	Beef and veal	Pork	Total 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fresh	Processed	Total	Cereal and bakery products	Sugar and sweets	Beverages	Total			
1935-39	36.5	43.2	37.8	68.7	28.9	60.3	45.9	65.4	37.3	50.2	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	97.0	87.8	91.4	126.1	89.0	104.7	84.7	94.2	76.6	81.7	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	113.3	93.1	103.6	132.1	101.6	127.4	94.5	110.3	83.1	92.4	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	112.4	92.1	102.6	132.6	99.0	116.3	98.5	93.5	96.6	91.0	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	88.6	102.5	95.8	129.3	95.3	123.2	96.8	93.9	91.1	93.2	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	85.3	105.7	95.3	116.7	95.8	103.1	93.7	98.9	89.3	92.6	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	84.4	91.0	87.7	121.5	93.9	106.5	93.6	95.9	91.0	93.4	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	83.1	86.4	84.8	106.5	93.8	105.9	96.0	98.0	96.3	96.3	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	89.2	99.5	94.2	103.8	95.0	100.9	98.8	102.4	97.0	94.2	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	103.8	106.1	104.9	102.6	101.6	106.1	100.3	101.2	104.0	100.8	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	106.9	94.4	101.0	93.5	103.4	92.9	101.0	96.5	99.1	105.0	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
1961	102.5	98.2	100.5	85.8	105.8	100.1	104.8	98.6	103.5	105.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
1962	106.2	99.1	102.5	90.7	110.2	94.6	104.1	98.5	106.3	102.6	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
1963	105.0	96.6	100.9	89.3	110.0	96.0	103.8	95.7	112.6	108.3	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7
1964	101.9	96.1	99.4	87.3	107.4	95.0	104.7	95.4	119.2	110.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.9	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	109.9
1966	112.4	125.1	116.8	94.9	117.8	105.7	111.8	107.2	123.9	109.9	117.6	115.8	111.3	100.0	112.6	123.2	114.2	113.1
1967	113.1	114.8	113.8	88.9	121.8	88.4	116.7	106.5	124.3	109.2	117.5	118.5	114.7	99.1	112.3	129.6	115.2	116.3
1968																		
January	115.9	112.0	114.4	88.3	122.7	85.2	118.5	105.3	132.1	114.4	124.1	118.3	116.0	99.4	113.8	132.9	117.0	118.6
February	116.3	113.1	114.9	88.0	122.9	89.2	118.5	105.0	133.1	114.8	124.9	118.2	116.0	99.8	114.2	133.3	117.4	119.0
March	116.3	114.5	115.3	94.4	121.4	86.1	118.7	104.6	135.4	114.6	126.1	118.1	116.2	99.9	114.7	133.7	117.9	119.5
April																		
May																		
June																		
July																		
August																		
September																		
October																		
November																		
December																		
	Seasonally adjusted																	
1967																		
January	110.6	115.1	112.7	86.9	122.6	103.4	115.8	---	126.4	---	118.5	---	---	---	112.5	---	114.9	---
February	111.5	114.3	112.8	88.5	121.4	88.8	115.9	---	120.0	---	114.4	---	---	---	111.4	---	114.0	---
March	111.4	113.8	112.8	88.1	122.7	93.3	115.6	---	120.9	---	114.7	---	---	---	111.6	---	114.3	---
April	111.1	113.7	112.1	88.4	122.7	88.5	116.3	---	116.6	---	112.1	---	---	---	110.9	---	113.9	---
May	111.0	113.8	112.3	90.6	122.3	90.1	116.6	---	119.5	---	113.5	---	---	---	111.5	---	114.5	---
June	114.9	120.6	116.6	85.6	121.1	89.6	117.4	---	121.6	---	115.1	---	---	---	112.6	---	115.3	---
July	114.3	117.4	115.2	88.4	121.3	86.4	117.0	---	123.2	---	116.0	---	---	---	112.0	---	115.0	---
August	114.2	115.8	115.0	89.4	121.6	95.2	116.6	---	130.1	---	120.6	---	---	---	112.9	---	115.8	---
September	113.8	113.2	113.6	90.2	121.4	83.2	117.1	---	127.1	---	119.7	---	---	---	112.5	---	115.6	---
October	114.1	113.5	113.9	87.8	121.5	82.4	117.3	---	127.9	---	120.5	---	---	---	112.7	---	115.8	---
November	115.0	113.2	114.2	87.8	121.3	79.6	117.0	---	127.7	---	121.1	---	---	---	112.9	---	116.1	---
December	115.4	112.8	114.4	89.0	122.1	82.1	117.4	---	131.2	---	122.9	---	---	---	112.7	---	116.4	---
1968																		
January	116.2	112.4	114.6	91.1	122.3	81.9	117.9	---	137.7	---	127.0	---	---	---	114.1	---	117.2	---
February	116.2	113.9	114.9	87.2	122.7	86.9	118.4	---	135.1	---	125.8	---	---	---	114.3	---	117.4	---
March	116.5	116.5	116.1	95.2	121.2	87.6	118.8	---	135.0	---	125.8	---	---	---	114.9	---	118.1	---
April																		
May																		
June																		
July																		
August																		
September																		
October																		
November																		
December																		

1/ Beef, veal, lamb and mutton, pork, and processed meat. 2/ Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. 3/ Includes butter. 4/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 5/ Data not collected prior to 1953.

Bureau of Labor Statistics.

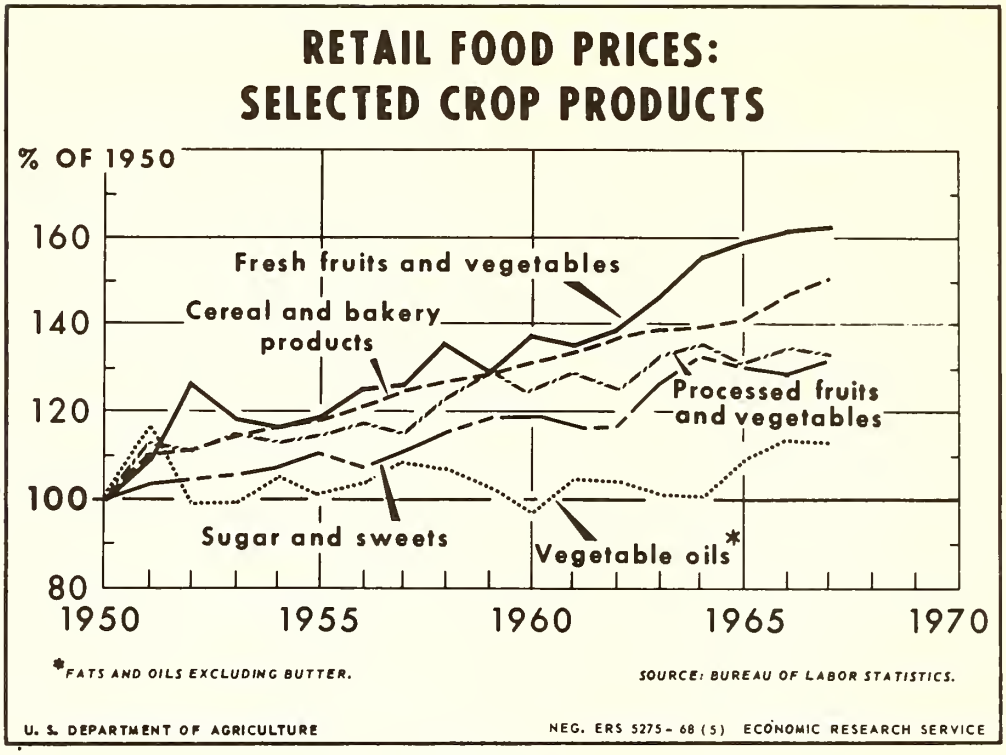


Figure 9

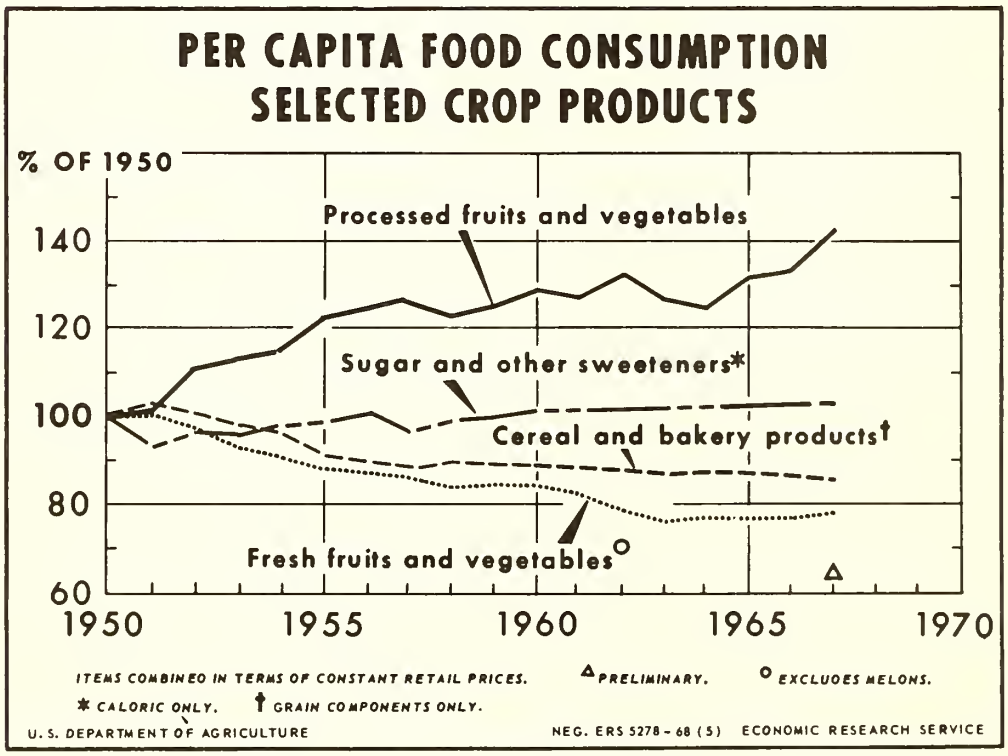
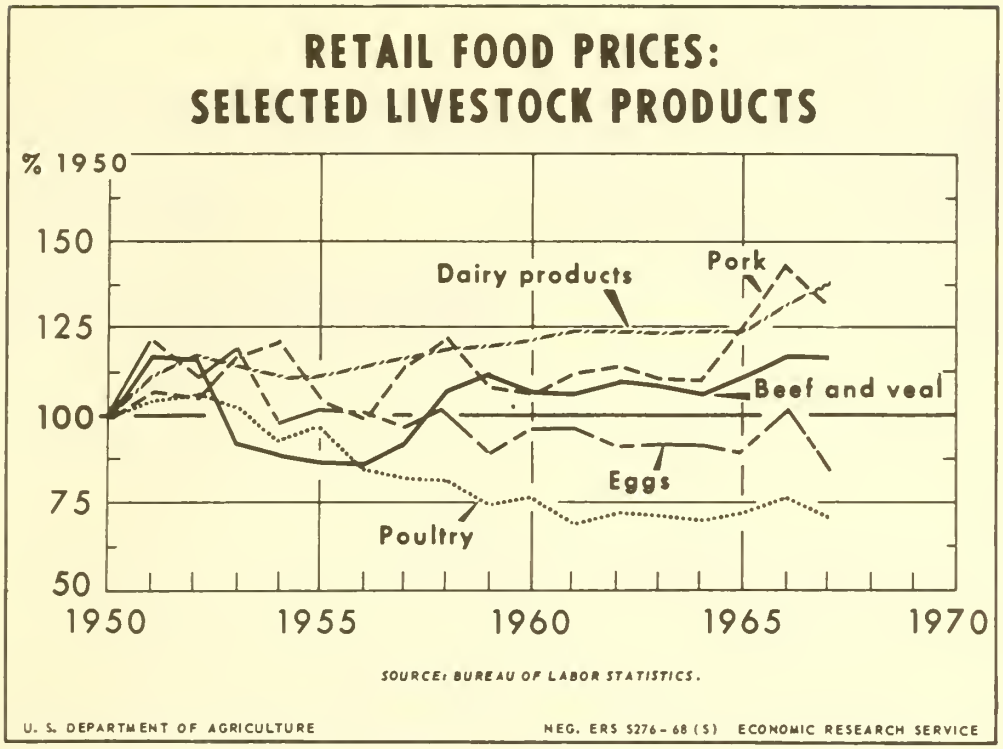


Figure 10



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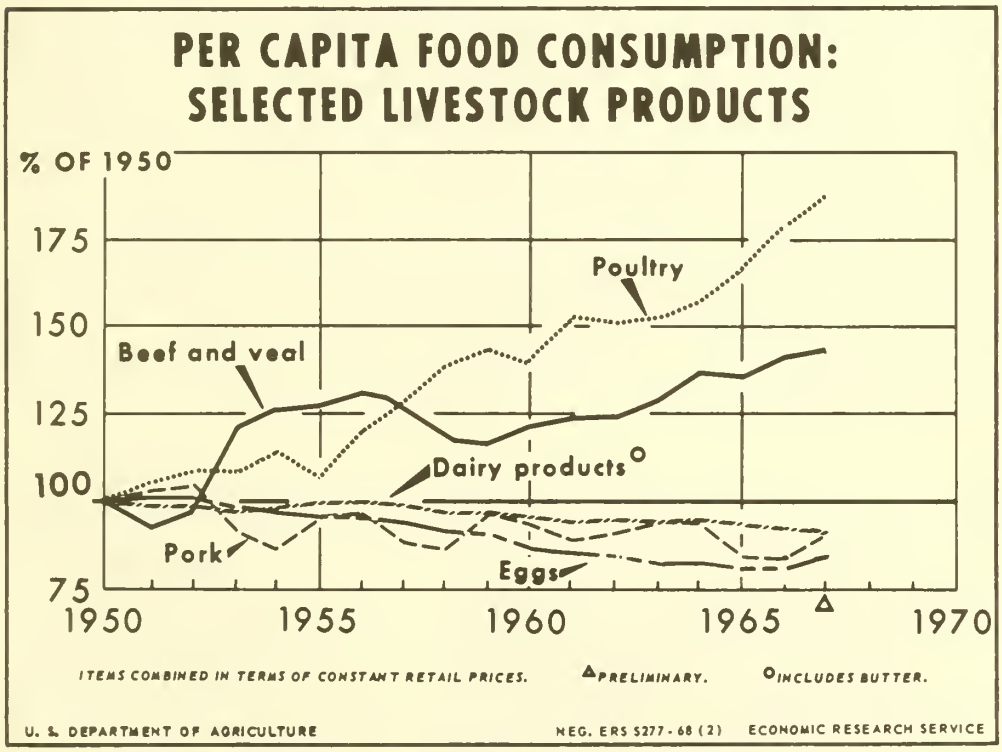

Figure 12

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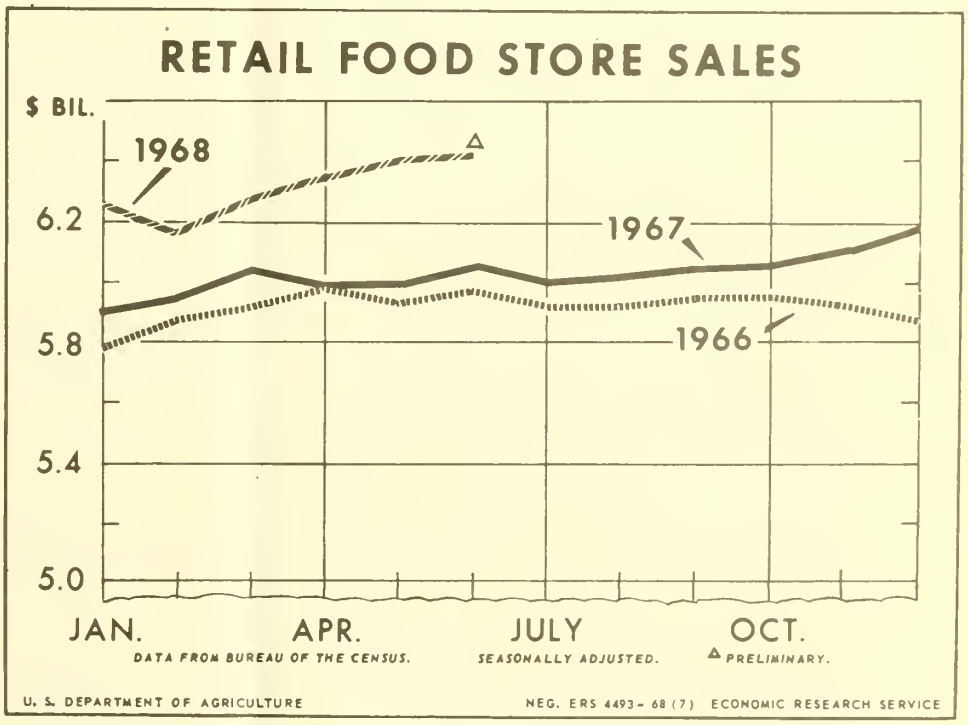
NATIONAL FOOD SITUATION

NFS-125 AUGUST 1968

Sales by retail food stores continued to rise through the second quarter, buoyed by higher prices, and sustained by rising incomes. The rate of gain from the first quarter exceeded that of all retail stores. It likely will slow in the next few months.



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USDA FOOD PROGRAMS
CONSUMER PRICES IN FOREIGN COUNTRIES

Published quarterly by
ECONOMIC RESEARCH SERVICE ● U.S. DEPARTMENT OF AGRICULTURE

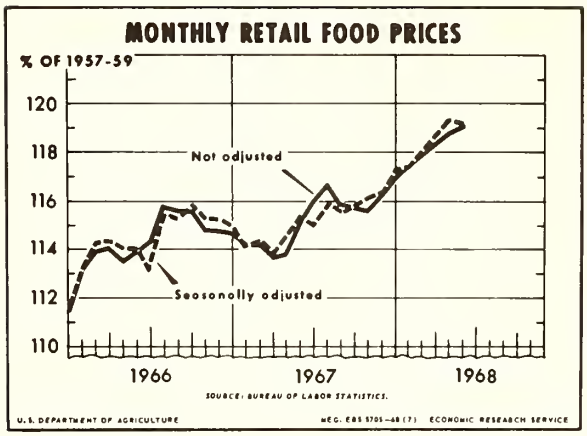
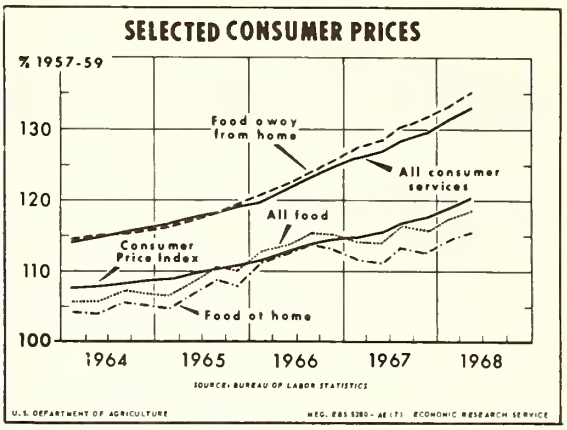


Figure 1



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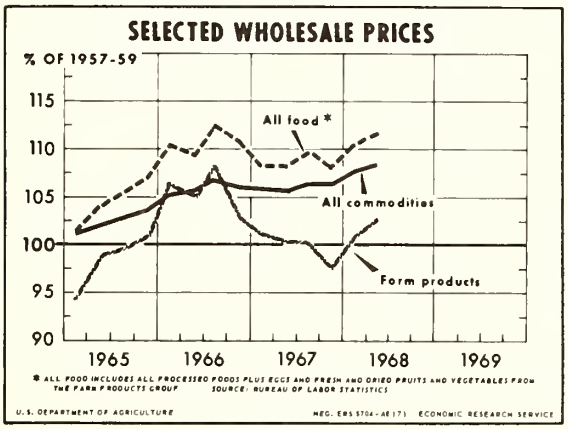

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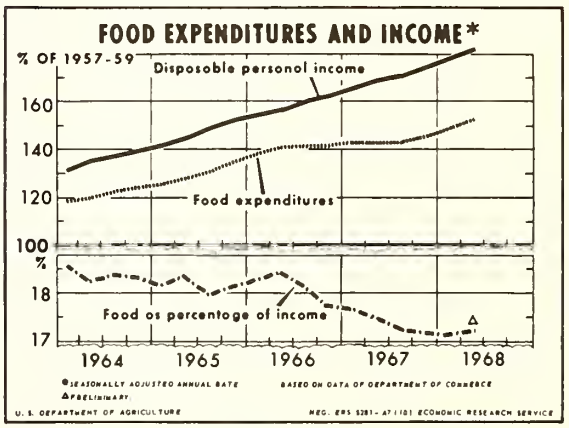

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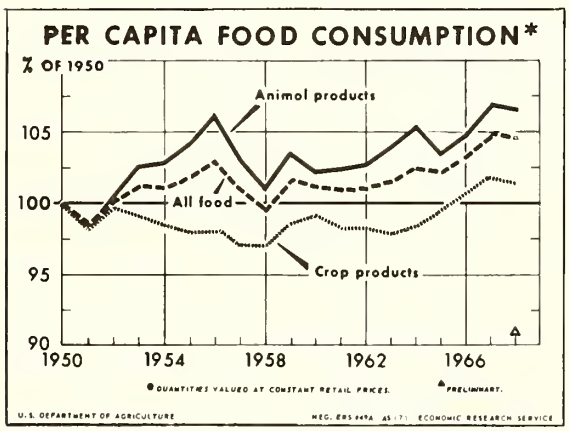

Figure 5

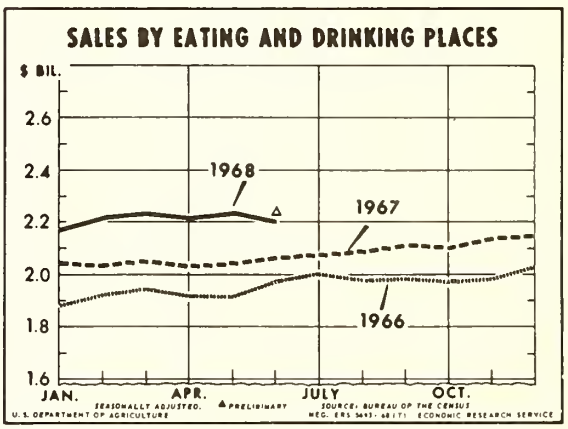

Figure 6

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, August 6, 1968

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SUMMARY*

Retail food price increases are tapering off. Although further small gains are likely--due mostly to seasonal factors in the third quarter--price increases in the second half should moderate by comparison with those in the last 9 months. Large supplies of major food products and a slower advance in demand will be contributing factors.

Retail prices for some fruits and vegetables are expected to drop more than seasonally in the next few months because of larger production expected for noncitrus fruit and most vegetables. Meat and dairy product prices may rise slightly, despite large supplies. Egg and turkey prices may continue to rise from first-half lows as production runs below a year earlier.

Heavily influenced by prices in the second quarter, prices of food for home use in 1968 likely will average around 3 percent higher than in 1967. Prices for food away from home probably will be up about 5 percent. This would give an all-food average 3½ percent higher for the year. Retail prices this year likely will average:

- --higher for fruits, vegetables, meats, poultry, eggs, dairy products, and soft drinks;
- --stable or lower for coffee, potatoes, fats and oils, cereal and bakery products, and fishery products.

Per capita food consumption this year is averaging nearly the same as in 1967. Consumption of livestock products in the first half exceeded a year earlier by a small margin. But in the second half it may average slightly below the same period of 1967, due to smaller consumption of turkey, eggs, and dairy products. For the year, per capita consumption likely will be:

- --higher for beef, pork, broilers, cheese, noncitrus fruits, vegetables, potatoes, soft drinks, and confectioneries;
- --lower for veal, lamb, eggs, turkey, some dairy products, citrus fruit, apples, and wheat flour.

Total utilization of food commodities this year is expected to exceed 1967 by 1 or 2 percent:

- --Civilian and military uses each up, in total;

*The summary of this report and a summary table were released to the press on August 6.

--Nonfood uses about the same;
--End-of-year stocks perhaps up, since new supply may again exceed utilization.

Food spending is expected to total nearly $101 billion in 1968, an increase of 6 percent from 1967. Expenditures increased sharply in both the first and second quarters this year. If the rate of income growth slows as expected, little additional increase is likely in food spending during the third and fourth quarters. Food spending is likely to account for about 17 percent of disposable income this year. It will break down about this way:

--5 percent to U.S. farmers;
--10 percent to marketing agencies;
--2 percent for fishery products and imports.

Food Consumption, Prices, and Expenditures, Agriculture Economics Report No. 138, June 1968, will be available soon. This bulletin contains tables superseding those in U.S. Food Consumption, Statistical Bulletin No. 364. The new report analyzes trends in the demand for food, whereas the old report focused attention on sources of data. Single copies may be requested from Division of Information, OMS, U.S. Department of Agriculture, Washington, D.C. 20250.

FOOD PRICES

Retail Price Rise too Slow

Retail food price gains in the next few months are expected to moderate from those during the first half. Although food prices probably will continue to rise in the second half, most of the increase is expected during the third quarter due to seasonal factors. July and August normally mark the seasonal high point for the year in retail food prices (fig. 1, inside cover).

Second-quarter prices averaged 4 percent above a year earlier, but year-to-year quarterly increases are expected to drop back to the 2- to 3-percent range in the second half (fig. 2, inside cover, and table 1). Prices for food for home use may average around 3 percent higher this year, and prices for food away from home, about 5 percent higher (fig. 7). All food would then average about 3-1/2 percent higher.

The average price of food during the first 6 months was not as much above a year earlier as was the entire Consumer Price Index. But, food prices rose at about the same rate as other consumer items between January and June. And, food for home use rose as much as food away from home on a month-to-month basis. Prices for food away from home rose about in line with the all services component of the CPI, as usual.

But, the second half is likely to be a different story. With food price gains narrowing, food may be a stabilizing influence in the overall Consumer Price Index by year end.

Farm Product Prices Higher

Most of the increase in retail food prices in first-half 1968 was due to higher farm prices for some major food commodities--fruits, vegetables, and most livestock products. Average prices received by farmers rebounded from generally declining prices throughout 1967 (fig. 8). Hourly earnings of employees of food marketing firms rose strongly early in 1968. Nevertheless, the spread between farm-level and retail prices increased only slightly during the first-half year. All of the increase was in May and June.

Wholesale Prices Rising

Wholesale prices of all farm products rose in first-half 1968 following a downtrend since third-quarter 1966 (fig. 3, inside cover and table 10 p. 28) Prices for these products at wholesale--which include nonfood as well as food products--likely will exceed year-earlier levels in the last half of 1968. But, they are not likely to regain 1966 levels.

The all-food component of the Wholesale Price Index also advanced during first-half 1968, following generally stable prices during 1967. This index--which is comprised mostly of processed food products--likely will continue its up-trend in the second half.

Price Highlights 1/

Prices for fruits and vegetables sparked the increase in average retail food prices in first-half 1968 (table 11, p. 30). Fresh produce supplies were short and prices strong, but prices for processed fruits and vegetables also were higher. Retail prices for most of these products are expected to drop more than seasonally this summer in response to more normal fruit supplies--particularly for non-citrus fruits such as peaches, pears, and fruit cocktail--and larger crops of vegetables. But citrus prices likely will remain firm until next fall's crop-prospects become more apparent.

Retail prices for meat averaged about 3 percent above a year earlier in first-half 1968, but fish prices were about stable. In view of somewhat larger per capita supplies, the increase

---

1/ See "Consumption and Demand for Food Products" p. 16, for a more detailed analysis.

Table 1.--Consumer, wholesale, and farm price indexes (1957-59=100), 1967-68

Item	1967					1968		
	I	II	III	IV	Year	I	II	Percentage change from 1967 II
								Percent
Retail prices: 1/								
All goods and services (CPI)	114.8	115.6	116.8	117.8	116.3	119.0	120.4	4.2
All items less food	115.1	116.2	117.2	118.6	116.8	119.7	121.1	4.2
All food	114.4	114.2	116.2	115.8	115.2	117.4	118.7	3.9
Food at home	111.8	111.3	113.4	112.6	112.3	114.2	115.5	3.8
Food away from home	127.4	128.7	130.3	131.9	129.6	133.3	135.1	5.0
Wholesale prices: 1/								
All commodities	106.0	105.8	106.3	106.4	106.1	107.8	108.5	2.6
Industrial commodities	105.9	106.0	106.3	107.1	106.3	108.2	108.7	2.5
Farm products	101.1	100.2	100.1	97.5	99.7	100.8	102.7	2.5
Processed food	109.8	109.7	111.6	110.1	110.3	111.8	112.9	2.9
All food 2/	108.4	108.2	109.6	108.2	108.6	110.5	111.8	3.3
Prices received by farmers: 3/								
Crops	100	100	99	102	100	103	104	4.0
Livestock and products	107	106	110	105	107	108	110	3.8
Total	104	104	105	104	104	106	107	2.9
Market basket of U.S. farm foods: 4/								
Retail cost	109.5	108.8	111.2	110.2	110.0	112.0	113.3	4.1
Farm-retail spread	111.2	111.2	112.0	113.7	112.2	113.8	113.9	2.4
Farm value	106.7	105.1	109.9	104.9	106.6	109.3	112.4	6.9

1/ Department of Labor, Bureau of Labor Statistics.

2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.

3/ Statistical Reporting Service.

4/ Economic Research Service.

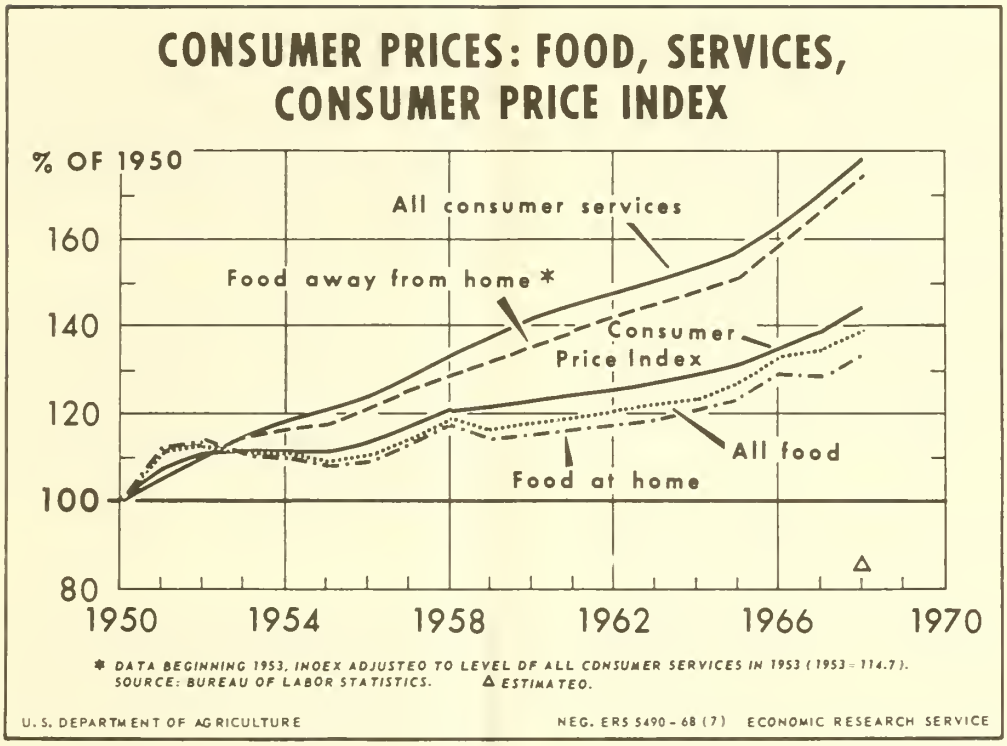

Figure 7

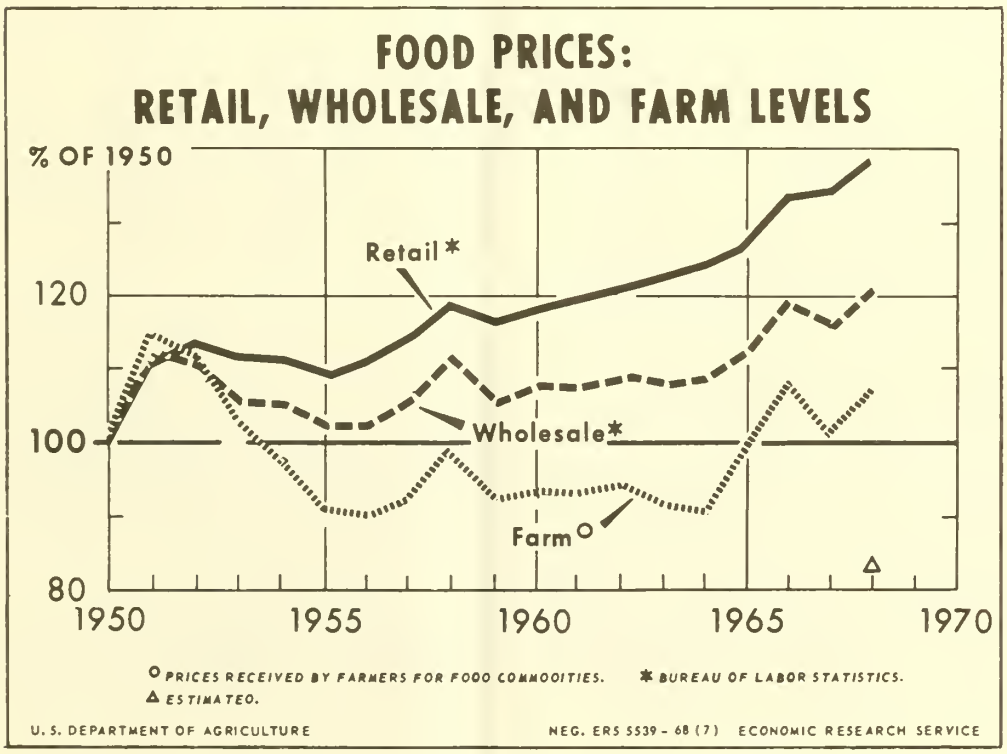

Figure 8

for meat reflected a strong demand. Meat prices generally reach a seasonal high in the third quarter of the year, and likely will again this year. Some price decline for meat is likely in the fall as supplies increase seasonally.

Dairy product prices at retail also averaged 3 percent higher than a year earlier in first-half 1968. Increases resulted from a higher price support and related activities, and some increase in farm-retail marketing margins. Seasonal price increases are likely in the second half at both farm and retail levels.

Egg prices strengthened significantly in July from extremely low levels in the first half year. As output recedes from high year-earlier levels, prices are expected to continue rising in the second half. Turkey prices may rise significantly in coming months too, as slaughter drops below a year earlier and heavy stocks are worked down. Broiler prices are expected to continue moderately above a year earlier.

Retail prices for fats and oils averaged below year-earlier levels during first-half 1968. Cereal and bakery product prices averaged about the same. Few price changes at retail are likely in coming months. Farmers are receiving lower prices this year for most food grain and oilseed crops, except rice.

Soft drink prices continue to climb. Somewhat higher sugar prices in early 1968 have contributed but little to the higher prices for soft drinks. Retail prices for confectionery and other cocoa products increased too, partly because wholesale cocoa prices were higher than a year earlier.

Second-quarter 1968 prices for coffee--both instant and regular--rose slightly above first-quarter levels. But coffee prices at retail remain around a tenth lower than in 1957-59. Some further small advances may occur in the second half.

FOOD SPENDING AND INCOME

Food Spending and Incomes Up

Food spending is expected to total nearly $101 billion in 1968--6 percent above the revised figure for 1967 (table 2). Food expenditures expanded significantly in each of the first 2 quarters of 1968 (fig. 4, inside cover). But, only a small advance from the second quarter level is expected in the remaining 2 quarters of the year.

A sharp expansion in disposable personal income in first-half 1968 explains part of the rapid rise in food expenditures. Income growth in the second quarter about matched that in the first quarter. But the rate of increase in final sales of all goods and services did not maintain the pace set in the first quarter; consumers saved more of their incomes than in the first quarter.

Disposable income likely will continue to expand in the second half year but not nearly as rapidly as in the first half. This economic climate likely will slow dollar spending for food.

Higher prices are expected to account for half or more of the increase in food expenditures this year. The total quantity of food purchased likely will rise slightly as population grows, and the balance of the gain in food spending will be due to an upgrading of purchases to more expensive foods or those with more marketing services added.

Food Shipments Up, Too

Manufacturers' shipments of food and beverages in the first half continued well above a year earlier but not as strongly above as in fourth-quarter 1967. These shipments reflected a strong demand for processed products. Industrial production of food products

Table 2.--Expenditures for food in relation to disposable income, 1960-68

Year	Disposable personal income	Personal consumption expenditures for food 1/					
		For use at home 2/		Away from home 3/		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Billion dollars	Billion dollars	Percent	Billion dollars	Percent	Billion dollars	Percent
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1961	364.4	58.5	16.1	13.6	3.7	72.1	19.8
1962	385.3	60.3	15.6	14.1	3.7	74.4	19.3
1963	404.6	62.0	15.3	14.5	3.6	76.5	18.9
1964	438.1	65.1	14.9	15.4	3.5	80.5	18.4
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.6	74.5	14.5	18.2	3.6	92.7	18.1
1967	546.3	75.4	13.8	19.5	3.6	94.9	17.4
1968 4/	586	---	---	---	---	101	17.2

Year	U.S. civilian expenditures for foods originating on U.S. farms 5/					
	Farm value		Total marketing bill		Total	
	Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Billion dollars	Percent	Billion dollars	Percent	Billion dollars	Percent
1960	21.7	6.2	44.2	12.6	65.9	18.8
1961	22.0	6.0	45.1	12.4	67.1	18.4
1962	22.4	5.8	46.9	12.2	69.3	18.0
1963	22.6	5.6	48.9	12.1	71.5	17.7
1964	23.4	5.3	51.2	11.7	74.6	17.0
1965	25.5	5.4	52.1	11.0	77.6	16.4
1966	28.1	5.5	54.7	10.7	82.8	16.2
1967	27.4	5.0	57.6	10.6	85.0	15.6

1/ Derived from data of Department of Commerce, Survey of Current Business and The National Income and Product Accounts of the United States, 1929-65, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use. Omits alcoholic beverages and nonpersonal spending for food such as business purchases of meals, food furnished inmates of private hospitals and institutions, and food included with transportation tickets and camp fees. 2/ Includes food consumed on farms where produced. 3/ Includes food served to the military and employees of hospitals, prisons, and food service establishments. 4/ Estimated. 5/ Computed by Economic Research Service. This series omits imported foods, fish and other seafoods, home-produced food, and food furnished the Armed Forces; it excludes alcoholic beverages but it implicitly includes the value of other items omitted from the Commerce food expenditure series.

expanded and inventories held about stable at the manufacturing level.

Sales by retail food stores in second-quarter 1968 continued the uptrend that began in the final quarter of 1967 (cover chart). Sales by eating and drinking places continued well above year-earlier levels, although at only about the same rate as during the first quarter (fig. 6, inside cover).

Similarly, sales by all retail stores in the second quarter averaged well above a year earlier, although up only slightly from the first quarter's sharp increase. Civil disturbances helped hold down sales in April. Sales in May and June recovered but failed to surpass the peak reached in March.

U.S. Farm Foods at $85 billion

Foods originating on U.S. farms account for most of the food consumed in this country, but imported foods and fishery products account for about one-sixth of our food supply. Of the $85 billion expenditures for foods originating on U.S. farms in 1967, around $27 billion represented returns to farmers (table 2.) The balance--$58 billion--was paid for processing, distribution, and marketing. Returns to farmers equalled 5 percent of U.S. disposable personal income (fig. 9). Both returns to farmers and returns to marketing agencies have shared in the decline in the percentage of income spent for food in recent years.

Farm-food expenditures rose $2 billion in 1967. Most of the increase was for meat products and fruits and vegetables. These foods accounted for slightly more than one-half of total expenditures. Less money went for poultry and eggs than in 1966, because of lower prices.

Despite the rise in total food spending, returns to farmers dropped in 1967 because of lower prices for many products. But the dairy products group bucked the general decline in farmers' returns.

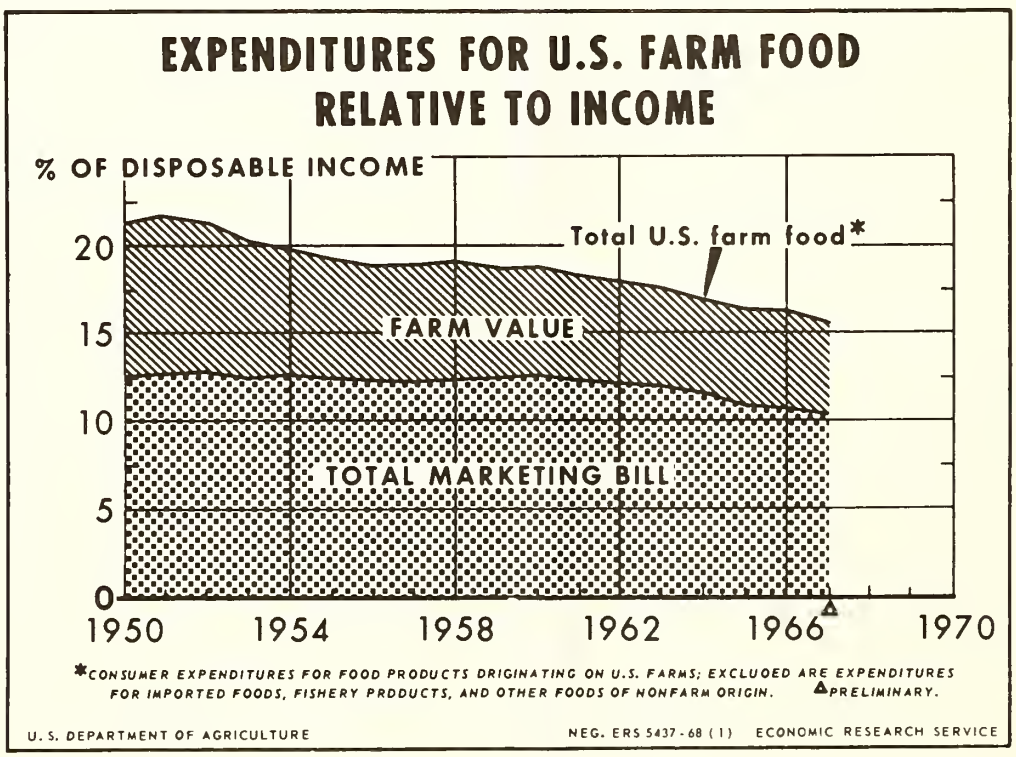

Figure 9

FOOD SUPPLY AND UTILIZATION

Larger Food Supplies

We now expect output of food commodities during 1968 to be somewhat larger than indicated last quarter. Livestock marketings in the second quarter exceeded expectations. Also, we now have an estimate of crop production for the year based on the July report of crop prospects.

Total food supplies available for use in 1968 are expected to be a little greater than in 1967. Beginning-year inventories were larger than a year earlier and production and marketings of both livestock and crop food commodities this year should about equal last year's record levels (tables 3 and 4). The volume of imports of food commodities during 1968 also are expected to total about the same as during 1967, both for crop and livestock commodities.

Utilization Rising

Prospects for larger total annual utilization of food commodities also brightened over the last 3 months. Supplies of some important crop commodities likely will exceed annual utilization. Thus, stock levels at the end of December may be higher for total crops, principally wheat and soybeans. But stocks of livestock commodities--mainly turkey and dairy products--may be down from the high levels at the beginning of the year.

Most major uses of food commodities likely will increase this year. Total civilian food consumption is expected to rise nearly in line with the 1-percent growth in population. Military purchases may go up more. Feed use is expected to rise in supporting the expected larger output of livestock commodities.

The quantity of exports of food commodities, which declined in 1967, is expected to turn upward again this year. The value of agricultural exports in the first 5 months was about equal to that of a year earlier--the quantity was larger but prices were lower.

Consumption About Stable

We look for per capita food consumption this year to total almost as large as in 1967 (fig. 5, inside cover and table 5). Consumption of both total animal products and total crop products should be near the year-earlier level. Larger per capita consumption this year is indicated for beef, pork, broilers, cheese, most noncitrus fruits, vegetables, potatoes, soft drinks, and confectioneries. But smaller consumption is expected for veal, lamb, eggs, turkey, some dairy products, citrus fruit, apples, dry edible beans, and wheat flour.

Consumption of home-produced food is expected to drop again this year, as usual (table 4). It is down to around one-third the level in 1950.

Livestock Product Consumption Up in First Half

Quarterly data on consumption of livestock products show that per capita consumption in the first-half year exceeded a year earlier by around half of 1 percent (table 6). Most major groups of livestock products shared in the increase. Meat, poultry, eggs and animal fats all exceeded year-earlier levels in the first quarter. But in the second quarter, red meat consumption accounted for almost all of the increase.

At the present time, we expect consumption in the second half to drop slightly below year-earlier levels. Much of the expected decline is due to prospective smaller consumption of turkey, eggs, and dairy products. Consumption of beef and broilers likely will exceed a year earlier.

Table 3--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1964 to date 1/

Year	Supply: Production	Supply: Imports 2/	Supply: Stocks 3/	Total annual utilization	Utilization: Domestic use: Food: Civilian	Utilization: Domestic use: Food: Military	Utilization: Domestic use: Nonfood: Seed and feed	Utilization: Domestic use: Nonfood: Other	Utilization: Domestic use: Nonfood: Total	Utilization: Exports and shipments 4/
	A.--All food commodities (1957-59=100) 5/									
1964	110.9	102.6	119.6	118.0	112.1	113.3	---	104.4	111.8	181.4
1965	116.1	101.4	108.9	117.4	112.1	127.6	---	108.4	112.3	170.3
1966	114.4	109.7	110.2	120.4	114.0	136.2	---	110.2	114.3	183.4
1967 6/	123.6	114.5	103.0	121.7	117.6	141.6	---	103.5	117.5	164.7
1968 6/	122.9	113.5	113.5	123.4	118.6	151.0	---	102.8	118.6	172.7
	Livestock food commodities (1957-59=100)									
1964	114.4	137.9	133.6	115.6	114.4	112.8	98.5	94.5	111.8	192.1
1965	112.5	130.1	106.5	113.2	113.4	124.1	94.7	93.6	111.0	132.6
1966	114.6	172.5	88.3	115.2	116.1	132.8	100.1	87.4	113.7	104.7
1967 6/	118.4	181.4	102.4	118.6	120.0	143.8	88.3	88.5	117.2	106.9
1968 6/	118.5	181.9	131.7	120.0	121.2	149.9	89.7	87.7	118.4	113.3
	Crop food commodities (1957-59=100)									
1964	106.0	97.1	118.9	117.6	107.2	114.8	101.1	110.3	108.7	178.9
1965	117.5	96.7	109.0	118.7	109.4	135.9	109.2	117.4	109.9	179.1
1966	118.1	100.2	111.3	127.5	109.6	148.0	125.4	124.0	116.7	201.9
1967 6/	127.5	104.6	103.0	123.4	112.5	133.9	119.4	112.5	115.4	178.3
1968 6/	127.6	103.3	112.5	126.2	113.2	155.0	123.1	112.0	117.3	186.7
	B.--All food commodities: Percentage of annual utilization 5/									
1964	86.1	9.9	4.0	100.0	82.0	1.5	---	2.9	86.4	13.6
1965	90.6	9.9	-.5	100.0	82.4	1.8	---	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	---	2.9	86.5	13.5
1967 6/	93.0	10.7	-3.7	100.0	83.4	1.9	---	2.7	88.0	12.0
1968 6/	91.2	10.5	-1.7	100.0	83.0	1.9	---	2.7	87.6	12.4
	Livestock food commodities: Percentage of annual utilization									
1964	96.7	2.5	.8	100.0	90.0	1.9	2.3	1.5	95.7	4.3
1965	97.0	2.5	.5	100.0	91.0	2.1	2.3	1.6	97.0	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	2.4	1.4	97.6	2.4
1967 6/	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968 6/	96.5	3.2	.3	100.0	91.7	2.4	2.1	1.4	97.6	2.4
	Crop food commodities: Percentage of annual utilization									
1964	78.9	14.9	6.2	100.0	44.5	.6	32.1	3.4	80.6	19.4
1965	86.7	14.7	-1.4	100.0	45.0	.8	31.5	3.5	80.8	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	33.6	3.5	79.8	20.2
1967 6/	90.4	15.3	-5.7	100.0	44.6	.7	33.1	3.2	81.6	18.4
1968 6/	88.5	14.8	-3.3	100.0	43.8	.8	33.3	3.2	81.1	18.9

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities and comparable data for 1950-63, see National Food Situation, NFS-124 (May 1968), pp. 15-17.

2/ Includes shipments from U.S. Territories.

3/ Farm (other than live animals) commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals.

4/ Includes shipments to U.S. Territories.

5/ Feed and seed omitted from total commodities to avoid double counting of use through livestock.

6/ Preliminary.

Table 4.--Volume of farm marketings and home consumption 1/

(1957-59=100)

Item	1961	1962	1963	1964	1965	1966	1967	1968 indications 2/	1968 as a percentage of 1967
									Percent
Marketings and home consumption of all farm commodities	108	109	114	116	116	118	121	123	102
Food marketings and home consumption	107	107	111	113	114	116	121	121	100
Food marketings	109	109	113	116	118	120	125	125	100
Total food livestock 3/	108	110	114	118	118	121	124	124	100
Meat animals	108	110	116	121	121	124	128	129	101
Poultry and eggs	113	113	116	121	126	134	141	138	98
Dairy products	106	107	107	110	108	104	104	103	99
Total food crops 4/	110	107	110	110	116	117	126	125	99
Food grains 5/	114	102	111	109	120	120	139	148	106
Vegetables 6/	109	110	110	107	107	111	115	116	101
Fruit and nuts 7/	103	107	101	106	111	113	115	98	85
Sugar crops	115	117	152	155	144	139	138	157	114
Home consumption	81	75	73	66	56	51	48	46	96
Livestock	75	73	69	63	56	52	50	48	96
Crops	94	80	83	73	55	47	44	43	98
Nonfood marketings 8/	110	116	125	125	121	123	121	129	107

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years. Excludes Alaska and Hawaii. 2/ Indications for 1968 are based on calendar-year quantities estimated as of July 1, 1968. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn, and spearmint. 5/ Wheat, rye, rice, and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans, and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 5.--Food consumption per capita, 1960-68 1/

(1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils: Animal 2/	Fats and oils: Vegetable	Fruits 3/: Fresh	Fruits 3/: Processed	Fruits 3/: Total
1960	102	102	98	94	98	92	106	97	102	99
1961	101	112	102	92	97	94	103	93	99	96
1962	102	110	101	92	97	93	107	89	103	95
1963	105	112	102	89	97	89	112	80	94	87
1964	108	114	99	89	97	87	119	85	91	88
1965	104	122	103	88	96	83	121	87	96	92
1966	106	131	100	88	95	75	132	87	97	92
1967	110	136	100	91	93	75	132	85	107	96
1968 6/	111	134	100	89	92	75	131	85	104	94

	Vegetables 4/: Fresh	Vegetables 4/: Processed	Vegetables 4/: Total	Potatoes and sweetpotatoes	Cereal products	Sugar and sweeteners	Coffee, tea and cocoa	All food: Animal products	All food: Crops 5/	All food: Total
1960	100	103	101	109	100	102	101	99.6	101.5	100.5
1961	98	104	99	111	99	102	102	99.7	100.7	100.1
1962	95	109	99	113	98	103	103	100.1	100.8	100.4
1963	94	109	99	118	97	103	106	101.3	100.2	100.8
1964	93	111	98	121	98	103	103	102.8	100.7	101.8
1965	93	116	99	127	98	103	100	100.9	102.0	101.4
1966	91	119	99	139	96	104	100	102.1	103.0	102.5
1967	92	125	101	135	97	104	100	104.3	104.2	104.2
1968 6/	93	125	102	137	96	105	100	103.9	103.9	103.9

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years, are given in table 2, National Food Situation, NFS-124 (May 1968), p. 2, and in table 1, Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, June 1968. 2/ Includes butter. 3/ Excludes melons and baby food. 4/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. 5/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately. 6/ Preliminary.

Table 6.--Livestock products: Per capita civilian consumption, by quarters, 1966-68 1/

(1957-59=100)

Year and quarter		Meat	Poultry	Eggs	Dairy products		Fats, including butter	Total livestock products 2/
					Excluding butter	Including butter		
1966	I	101.9	103.2	88.4	98.8	97.0	80.1	98.9
	II	104.2	120.0	85.8	98.5	95.8	71.7	100.5
	III	106.9	139.4	86.7	97.8	94.4	70.1	103.1
	IV	110.3	159.7	91.5	94.3	92.4	77.0	105.9
1967 3/	I	110.7	110.7	91.1	94.9	93.0	77.8	102.3
	II	108.6	128.3	88.4	96.7	93.8	70.3	102.8
	III	110.2	143.2	90.7	96.1	93.3	74.4	104.9
	IV	111.0	164.0	94.7	95.7	93.8	78.4	107.4
1968 3/	I	111.7	112.1	93.1	93.6	91.8	79.6	102.8
	II	111.7	121.2	88.1	95.7	93.3	72.7	103.4

1/ Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Methodology paralleled that for annual data reported in U.S. Food Consumption, SB-364, e.g., consumption is defined as disappearance into the marketing system. For a few, relatively minor, foods seasonal consumption patterns were assumed to be the same as similar-type products for which data are available. Data since 1955 published in Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968.

2/ Excludes fish and honey. 3/ Preliminary.

CONSUMPTION AND DEMAND FOR FOOD PRODUCTS

Beef Demand Strong

Higher prices together with larger per capita consumption of beef and veal indicated for 1968 reflect a strong demand for beef again this year (fig. 10 and table 7). Prices for beef and veal are rising this year, but only about as much as the average for all other foods at home, as indicated by the "deflated" retail price shown in our chart. In fact, beef and veal prices have not increased as much as other food prices since 1950.

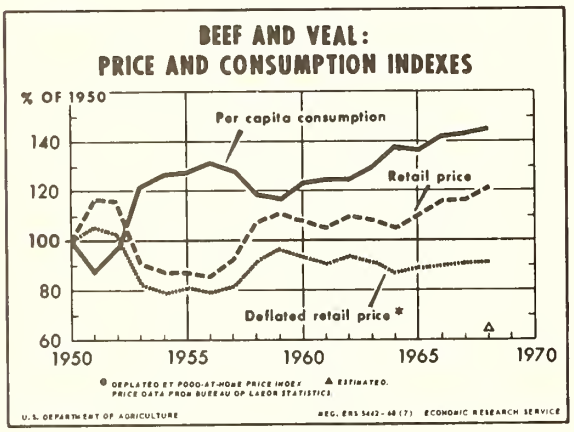

Figure 10

Beef consumption during first-half 1968 averaged more than a half pound per person above 1967. The increase was the result of both larger production of fed beef and larger imports. As of July 1, producers reported 7 percent more cattle on grain feed than a year earlier and intentions to market more of these cattle in the next few months than a year earlier. Part of these larger marketings likely will be offset by lower marketings of cows and other cattle not on grain feed. Total marketings in the second-half likely will more than exceed population growth, so per capita consumption may continue to exceed a year earlier.

Consumption of veal dropped in the first half and a further reduction is in prospect for the second half. Lower consumption reflects the continuing decline in number of calves slaughtered, mostly from dairy stock.

We also expect consumption of lamb and mutton to drop this year, as it has in most recent years. Prospective production is down more than a fourth from the level reached in 1961.

Pork Consumption Up

Per capita consumption of pork in 1968 now is expected to exceed the 1967 level because of an expected gain in hog production (table 7). This level of consumption is the highest since 1964 but falls short of consumption peaks in several years since 1950 (fig. 11). Even though pork prices are averaging a little higher this year than in 1967, the rise is expected to be less than the average of all other foods. And, prices are well below those in 1966.

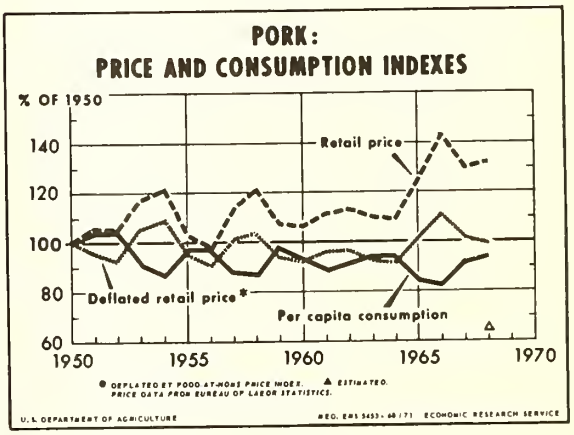

Figure 11

Larger pork consumption in first-half 1968, compared with a year earlier, was concentrated in the second quarter. Pork supplies are expected to continue larger than a year earlier this summer.

Table 7.--Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, average 1957-59, annual 1964-68 1/

Commodity	Average 1957-59	1964	1965	1966	1967	Indications for 1968 as percentage of 1957-59	Indications for 1968 as percentage of 1967
	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent
Meats (carcass weight)	156.6	174.5	166.7	170.5	177.5	115	101
Beef	82.1	99.8	99.3	104.0	105.9	131	101
Veal	7.1	5.2	5.2	4.5	3.8	51	95
Lamb and mutton	4.4	4.2	3.7	4.0	3.9	84	95
Pork (excluding lard)	63.0	65.3	58.5	58.0	63.9	103	102
Fish (edible weight)	10.5	10.5	10.9	10.6	10.6	100	99
Poultry products							
Eggs (farm basis) - Number	356	318	314	313	324	89	98
Chicken (ready-to-cook)	27.5	31.0	33.3	36.0	37.1	135	100
Turkey (ready-to-cook)	6.0	7.3	7.5	7.8	8.6	132	92
Dairy products							
Cheese	7.9	9.4	9.5	9.8	9.9	128	102
Condensed and evaporated milk	14.8	11.3	10.6	9.7	9.1	57	93
Fluid milk and cream (milk equivalent)	337	304	301	296	286	83	98
Ice cream (product weight)	18.4	18.2	18.5	18.1	18.1	99	101
Fats and Oils - Total, fat content	45.3	47.5	47.6	49.3	49.3	109	100
Butter (actual weight)	8.2	6.8	6.4	5.7	5.5	67	100
Margarine (actual weight)	8.9	9.7	9.9	10.5	10.5	118	100
Lard	9.3	6.3	6.4	5.5	5.4	58	100
Shortening	11.4	13.7	14.0	15.9	15.9	139	100
Other edible fats and oils	10.8	14.2	14.0	14.8	15.2	139	99
Fruits							
Fresh	95.5	78.6	80.9	81.2	80.7	83	98
Citrus	34.0	26.1	29.0	29.0	31.7	86	92
Apples (commercial)	21.0	17.8	16.3	15.9	16.2	71	93
Other (excluding melons)	40.5	34.7	35.6	36.3	32.8	87	107
Processed:							
Canned fruit	22.4	22.9	23.4	23.0	22.5	97	97
Canned juice	13.5	11.4	10.8	11.6	11.7	87	100
Frozen (including juices)	8.6	7.4	8.5	8.1	10.1	112	95
Dried	3.3	2.9	3.0	3.0	2.9	91	103
Vegetables							
Fresh 2/	104.1	98.3	98.1	95.6	96.4	94	102
Canned, excluding potatoes and sweetpotatoes	43.3	45.7	46.8	47.3	48.9	113	100
Frozen, excluding potatoes	6.6	8.0	8.5	9.3	9.9	152	101
Potatoes, fresh equivalent	106.9	110.8	107.6	113.3	115.0	109	102
Sweetpotatoes, fresh equivalent	8.3	5.5	6.1	5.9	5.6	66	98
Grains							
Cornmeal and flour	7.4	5.8	5.7	5.6	5.5	74	100
Corn sirup	9.4	13.6	13.6	14.0	14.0	153	103
Corn sugar	3.6	4.4	4.5	4.5	4.6	128	100
Wheat flour 3/	120	114	113	111	112	92	98
Wheat cereals	2.8	2.9	2.9	2.9	2.9	104	100
Rice, milled	5.4	7.0	7.6	7.3	7.3	135	100
Other							
Coffee (green beans)	15.7	15.3	14.8	14.5	14.7	94	100
Tea	.58	.67	.68	.69	.67	117	101
Cocoa beans	3.5	3.9	4.0	4.2	4.2	120	100
Peanuts (shelled)	4.6	5.3	5.6	5.4	5.9	---	---
Dry edible beans	7.7	7.6	6.6	6.3	7.0	82	90
Melons	25.1	23.0	23.6	21.9	21.5	85	99
Sugar (refined)	96.1	96.5	96.4	97.4	97.1	101	100
	Million	Million	Million	Million	Million	Percent	Percent
Civilian population 4/	171.5	189.4	191.9	193.8	195.7	115	101

1/ Quantity in pounds except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August. 2/ Commercial production for sale as fresh produce. 3/ Includes white, whole wheat, and semolina flour. 4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

Fishery Products 2/

Per capita consumption of fish this year may decline slightly from that in 1967. Retail prices in first-half 1968 averaged about the same as a year earlier, but some price increase is likely in the second half year.

U.S. cold storage holdings of food fish on July 1 were about the same as a year ago. However, holdings of fillets and steaks of every species except pollock and flounders were down from a year ago. And, holdings of fish blocks and fish sticks and portions were larger. New England groundfish production is down but larger imports have kept prices stable.

U.S. stocks of Pacific halibut on July 1 were down from a year ago. Smaller landings are in prospect for the season and rising prices are likely. This is the second year in a row that the major run of red or sockeye salmon in Alaska is very low.

Holdings of shellfish also were down on July 1, with a drop from last year in every shellfish item except raw shrimp. The drop in breaded and other forms of shrimp was enough to bring total holdings of shrimp down slightly. A normal shrimp production season in the Southern States is expected this year. Scallop production on the Atlantic coast is low for both the Canadian and U.S. fishermen, and prices are high.

Turkey Consumption Lower

A significant drop expected in consumption of turkey this year, combined with only slightly more broilers may result in a small dip in total poultry consumption per capita for first time since 1962 (fig. 12). Cold storage stocks of turkey at the beginning of 1968 were unusually large. Producers cut back production sharply in response to lower prices and total supplies for the year will be below a year earlier. Turkey prices are responding to lower supplies and for the balance of the year should remain above the unusually low levels in 1967.

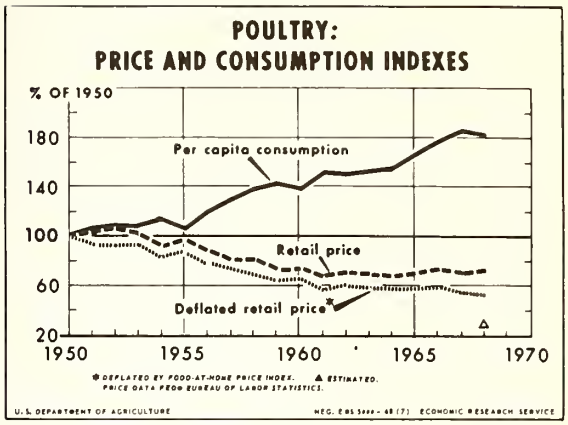

Figure 12

Broiler production this year is expected to exceed that of a year earlier. But, prices at retail may exceed low year-earlier levels.

Egg Consumption Dropping

Until recent months, egg consumption remained above year-earlier levels since late 1966 in contrast to a downtrend during most years since 1950 (fig. 13). Increased supplies last year resulted in a sharp drop in prices. Low prices, in turn, induced producers to cut back output which is just now being felt. Reduced output likely will continue to stimulate prices this fall and winter. The price and consumption pattern for eggs shown in our chart indicates a decided decline in demand for eggs since 1950.

Dairy Product Consumption Slipping

Per capita consumption of dairy products in 1968 is expected to decline about 1 percent from the 1967 level (fig. 14). This is less than the sharp decline of a year earlier, principally because of larger domestic donations by the U.S. Department of Agriculture. These donations are expected to about maintain consumption of butter and nonfat dry milk this year. Per capita consumption of cheese and frozen dairy

2/ Prepared from information submitted by Fish and Wildlife Service, U.S. Department of the Interior.

products likely will increase this year, and that of condensed and dry whole milk may remain unchanged. Use of fluid milk and cream, which comprises nearly half of all dairy consumption, is expected to drop by around 2 percent from 1967.

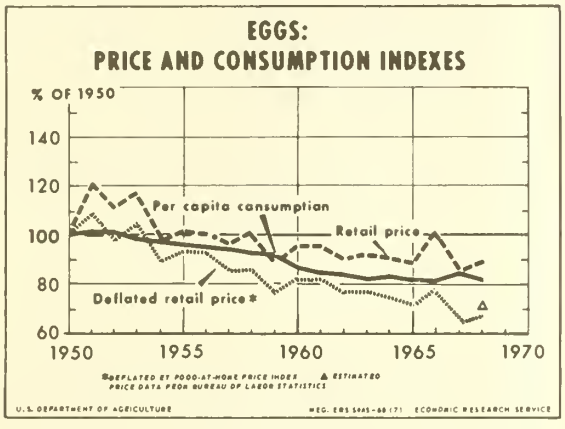

Figure 13

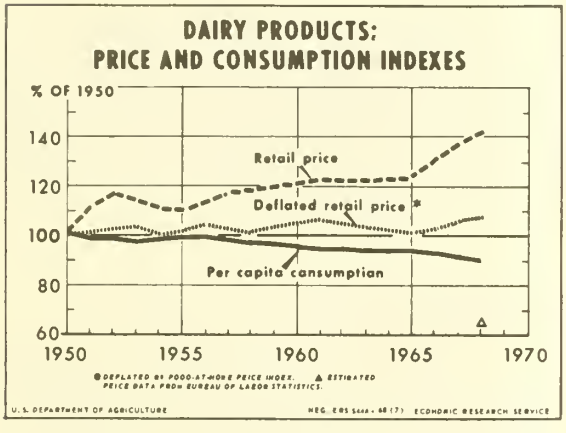

Figure 14

Our chart shows that consumption of dairy products has trended downward during the past decade.

Vegetable Oil Consumption Steady

Per capita consumption of edible vegetable oil products this year is expected to remain about stable with that during the 2 previous years (fig. 15).

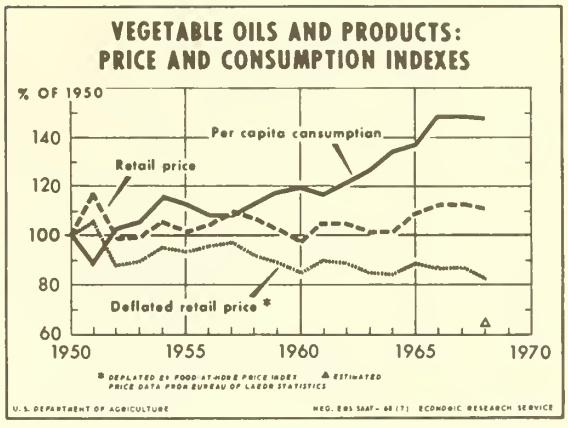

Figure 15

This plateau departs from most earlier years when consumption of vegetable oils was rising at the expense of animal fats.

Relatively stable to declining prices for vegetable oils has stimulated consumption historically, but lower prices this year are not having the same effect. Consumption of animal fats is being maintained largely because of butter donations.

Larger Noncitrus Consumption

Trends in supplies of citrus and noncitrus fruits contrast sharply this year. Citrus output last winter was down sharply and supplies of both fresh and processed products are expected to continue sharply below a year earlier until the new-crop harvest begins this fall. Supplies of noncitrus fruits were relatively low during first-half 1968, following short crops in 1967. This year's apple crop may be slightly smaller than in 1967, but much larger crops are in prospect this summer for peaches, pears, and grapes.

Reduced carryover of canned fruit from last year's smaller pack likely will hold consumption of processed fruits this year somewhat lower than in 1967, even though supplies should be more abundant and prices lower late in the year.

Vegetable Consumption Up, Too

Supplies of both fresh and processed vegetables are expected to be larger this summer than a year earlier. Smaller supplies of fresh vegetables early in the year resulted in relatively high prices at that time, but much lower prices are in prospect during the second half. Retail prices for processed vegetables held relatively firm during the first half despite larger supplies. But prices may drop in coming months as a result of the large 1968 packs expected for most vegetables.

Retail prices for fresh fruits and vegetables in 1968 will average well above a year earlier, largely because of high prices in the first half (fig. 16). Prices for these foods have typically increased much more than all other foods. Per capita consumption of fresh produce has trended downward, while consumption of processed fruits and vegetables has risen. Prices for processed products have increased more nearly in line with the average for all other foods (fig. 17).

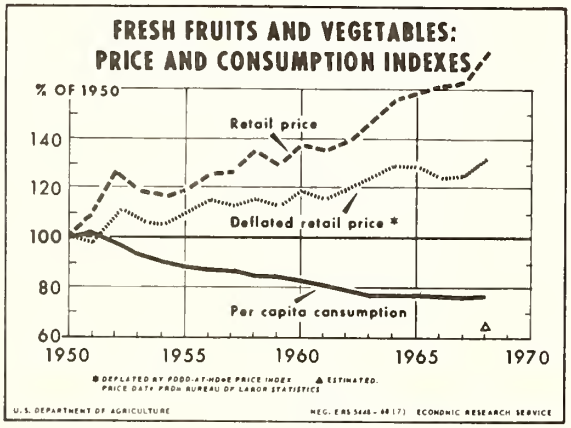

Figure 16

Potato Consumption Larger

Total per capita consumption of potatoes (fresh equivalent basis) this year may be somewhat larger than in 1967. Most of the increase likely will be among the processed potato products that have increased sharply in popularity over the past several years.

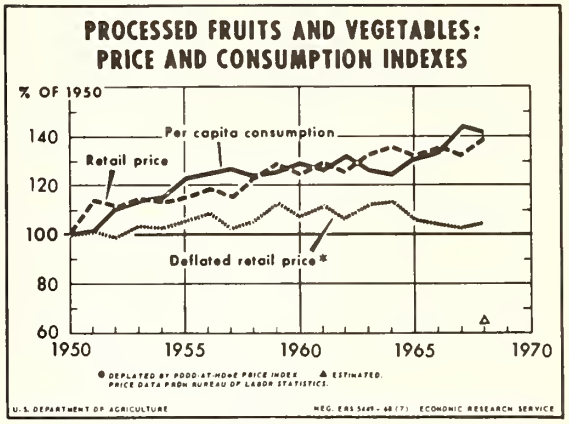

Figure 17

Potato prices are seesawing more than usual this year. Large stocks carried over from the 1967 crop kept prices relatively low during the first quarter of the year. But retail prices moved up sharply as early crops were marketed. Supplies will be seasonally heavy and prices lower during the last half.

Consumption of Cereal Products Down

We expect per capita consumption of wheat flour used in all cereal and bakery products to drop slightly below year-earlier levels, as it has in most years since 1950 (fig. 18). But 1967 was an exception. Production of both wheat and rice is expected to be larger this year than in 1967. Wheat prices at the farm level are lower. Retail prices of cereal and bakery products generally have increased over the years--about as much as any major food group--because of the overriding

importance of processing and distribution costs. But retail prices this year are remaining almost in line with 1967, due mainly to the lower cost ingredients.

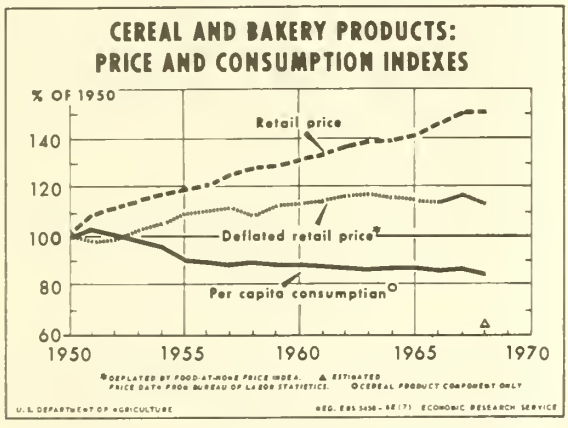

Figure 18

The total amount of food processed from corn this year may be a little larger than in 1967. The increase would be due to larger output of corn sirup and corn sugar (dextrose) with little change in consumption of cereal products made from corn. About 56 pounds of corn per capita were used directly for food last year, up a fourth from a decade earlier.

Consumption of Sweeteners Unchanged

Per capita consumption of sugar this year likely will remain unchanged from the level of the previous several years. However, domestic production this fall may rise substantially with expanded acreage of sugar beets. Prices for all sugar and sweets have increased at about the same rate as have all other foods since 1950, and similar changes are likely again in 1968 (fig. 19).

Soft drink consumption is growing rapidly. It totaled 74.5 quarts per capita in 1967, up 4 percent from a year earlier. Although substantial, this increase represents a slowdown from previous years. Per capita consumption has increased 55 percent since 1960 despite a hefty 35-percent increase in retail prices. Prices for soft drinks averaged 7 percent above a year earlier in first-half 1968.

The beverage industry is the largest commercial user of refined sugar (mostly in soft drinks). It accounted for about 18 percent of total sugar consumption last year. The increase in consumption of low-calorie soft drinks apparently has cut very little into the growing consumption of sugar-sweetened drinks; per capita consumption of the sugar sweetened drinks is up 41 percent since 1960.

Per capita consumption of candy is growing too. It totaled 19.6 pounds in 1967, up 16 percent since 1960. The confectionery industry is another large user of sweeteners; it used about 10 percent of total sugar consumed last year and about 30 percent of total corn sirup consumption. These 2 items accounted for about 60 percent of the manufactured weight of confectionery products.

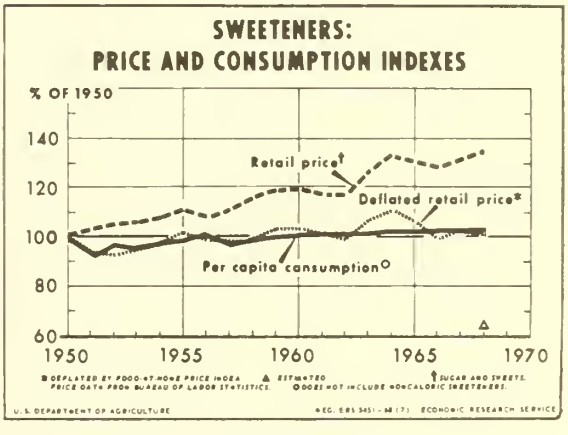

Figure 19

The U.S. market for cocoa and chocolate products is growing at about the same rate as total confectionery consumption. But, consumption this year likely will only approximate the 4.2 pounds per capita in 1967. Cocoa bean prices at wholesale so far this year are above last year's prices and well above prices in the 2 previous years. Cocoa bean imports dropped well below the same period of 1967, but imports of semiprocessed cocoa and chocolate products are above a year earlier, with the exception of cocoa butter.

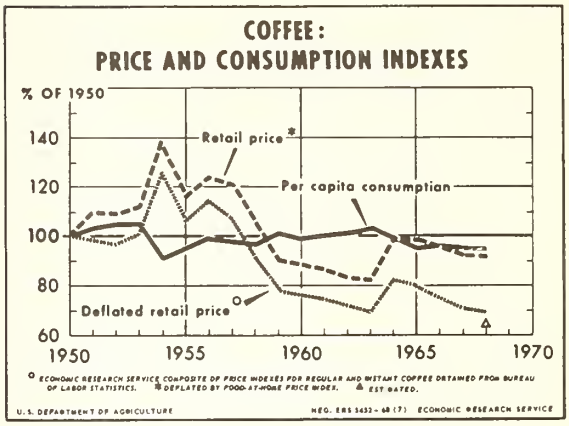

Figure 20

Coffee and Tea Use About Stable

Per capita consumption of coffee this year likely will about equal last year's level (fig. 20). Roastings in the first 6 months were 1 percent larger than the same months a year earlier. However, imports of green beans were up much more. Coffee prices for the year likely will average about the same as in 1967 even though prices may edge up from current levels. Coffee stands out with a record of declining prices in recent years.

Per capita consumption of tea this year also is expected to total about the same as in 1967. Use of instant tea and tea mixes continues to grow. These products accounted for an estimated 29 percent of the household tea market last year, according to the A. C. Nielson Report to the Tea Industry. Use of instant coffee, on the other hand, has stabilized in recent years with less than 20 percent of total sales. About 60 percent of U.S. tea consumption is in the form of iced tea, which helps account for the growing use of instant tea.

USDA FOOD PROGRAMS 3/

In the 1960's USDA food programs broadened surplus food commodity distribution and initiated a Food Stamp Program to give recipients a better diet. Child feeding programs grew from a noon meal at school to include breakfasts and feeding outside the school system--with emphasis on reaching the poor child. Some of the changes are:

	1960	1968
Participating families		
Number of persons (mil.)	3.7	5.6
Food items distributed	5	16
Administrative units with programs 4/	1,142	2,468
Child feeding program		
Number fed (mil.)	12.8	18.7
Fed free or at reduced prices	1.3	2.4
Percentage of total	10	13

Expansion of these programs occurred when national incomes were rising and unemployment falling.

All of the 1,000 poorest counties will have programs operating within a few weeks, either with commodity donations or food stamps. The Department now is offering to help underwrite local operating expenses in any of 1,000 lowest income counties that will initiate a food donation program. Only about a third of the 1,000 poorest counties had food donation programs in operation in 1960.

The most needy participants in the Food Stamp Program now pay only 50 cents per person per month rather than $2, with a maximum of $3 for a family of six or more. To ease transition into the program, new participants now must pay only half the first month's regular purchase requirement.

USDA's Technical Action Panels, now established in every county of each State, assist community action agencies in helping the poor participate in a food assistance program when needed. Low-income people have been hired by the Department as aides in this effort.

As a result, over 800,000 additional people were served by food programs in fiscal year 1968 than a year earlier. These included almost 400,000 more in the approximately 840 areas served by the Food Stamp Program last year. A family food assistance plan is operating, or being set up in about 2,500 of the 3,091 counties and independent cities of the United States.

Although the Food Stamp Program is being accelerated, the quality of the diet offered through the Commodity Distribution Program is being further improved. The quantity of food made available will be increased from about 25 pounds per person per month to about 36 pounds by the addition of at least 6 items (canned vegetables, instant mix for chocolate milk drink, fruit juice, canned chicken, scrambled egg mix, and evaporated milk). These extra foods are scheduled for distribution in the latter half of 1968 and early 1969. Some distributed foods are enriched and nutritionally superior to those available commercially.

Efforts are underway to develop a supplemental package of foods geared to the special dietary needs of infants, preschool children, and pregnant and lactating mothers. This package would be distributed on the recommendation of medical authorities.

The Federal Extension Service plans to expand substantially the hiring, training, and supervising of nutrition aides from among the poor in furthering nutritional education and good home management techniques.

3/ By Helen Eklund and Stephen J. Hiemstra, Food Consumption Section, ERS, in consultation with Consumer and Marketing Service.

4/ In addition to entire counties, administrative units include some independent cities, parts of counties, and combinations of counties.

COST OF FAMILY FOOD PLANS

Costs of foods sufficient to provide well balanced meals for a week are updated quarterly by the Agricultural Research Service. Costs are reported for food plans at 3 levels--low, moderate, and liberal. The quantities of food included are based on family food consumption surveys adjusted to provide a recommended intake of nutrients.

The U.S. average weekly costs of food at home at the 3 levels in June 1968 were as follows: 5/

Family of 2	Ages 20-35 years	Ages 55-75 years
Low-cost plan	$16.70	$13.60
Moderate-cost plan	21.10	17.70
Liberal-cost plan	25.80	21.10

Family of 4	With children Pre-school	With children Grade school
Low-cost plan	$24.20	$28.20
Moderate-cost plan	30.70	35.90
Liberal-cost plan	37.20	43.80

The cost of the food used in each plan is related to choices of foods and average prices paid by survey families at 3 different income levels. Results from the 1965 survey of household food consumption have recently been incorporated. Costs are updated quarterly for the United States and annually for 4 regions using average prices published by the Bureau of Labor Statistics.

If all persons in the United States last year had followed the moderate-cost food plan, national food spending would have totaled around $86 billion, in terms of prices paid at grocery stores. This is close to actual food expenditures reported in table 2, after adjusting for the higher value of food eaten away from home.

5/ Single copies of complete table of costs for each of 18 age-sex groups are available from the Consumer and Food Economics Research Division, Agricultural Research Service, U.S. Department of Agriculture, Federal Center Building, Hyattsville, Md. 20782.

CONSUMER PRICES IN FOREIGN COUNTRIES 6/

Food Prices

Few countries had smaller increases in food prices in 1967 than the 1 percent reported by the United States (table 8). Although a few countries registered price declines, rapid inflation continued in South Vietnam, India, Brazil, Argentina, Chile, and Peru. Food prices declined in Cambodia, Morocco, and Venezuela. Prices also dropped in Ghana and The United Arab Republic, following a runup in prices the previous 2 years.

Prices of food in the United States have not increased as much during the past 4 years as in most other countries. But, the U.S. increase of 10 percent was about the same rate as in Canada and several European countries such as France, West Germany, Greece, United Kingdom, and Hungary. Poland and Czechlosvakia (3 years) reported much smaller increases in food prices than did the United States.

Food prices in Columbia, Argentina, Brazil, Peru and Chile increased sharply--most of them more than doubled--during the last 4 years. But this is not true of all Latin American countries. Three others had price increases of less than 10 percent and two had price increases of about 15 percent.

Food price trends have varied sharply in Africa, too. In Morocco, food prices increased only half as much as in the United States between 1963 and 1967. But in Ghana and The United Arab Republic they rose 4 times faster, and in South Africa and Tunisia, twice as fast.

Nonfood Prices

Over three-fourths of the 50 countries listed in table 8 had greater price increases for all consumer items than did the United States between 1963 and 1967. While U.S. consumer prices rose 9 percent during the 5-year period, increases in Western Europe ranged from 11 to 37 percent.

In many countries, including the United States and Canada, price increases during the last 5 years for food were about as large as for nonfood consumer goods and services. Price increases for food considerably exceeded those for nonfood items in Venezuela, Hungary, Kenya, South Africa, The United Arab Republic, The Republic of China (Taiwan), India, Thailand, Australia, South Vietnam and the Philippines. But, prices for food rose much less than for nonfood items in Brazil, Honduras, Spain, Cambodia, and Israel.

6/ By Helen M. Eklund, Food Consumption Section, ERS.

Table 8.--Prices of food and all consumer items, selected countries, 1964-67 1/
(1963=100)

Region and country	Food					All consumer items				
				1967					1967	
	1964	1965	1966	Index	Change from 1966	1964	1965	1966	Index	Change from 1966
					Percent					Percent
North America										
Canada	102	104	111	112	1.4	102	104	108	112	3.5
United States	101	104	109	110	.8	101	103	106	109	2.8
Latin America										
Argentina (Buenos Aires)	127	162	203	262	29.1	122	157	207	268	29.5
Brazil (Sao Paulo)	196	295	437	539	23.3	187	303	444	576	29.7
Chile (Santiago)	150	195	238	273	14.7	146	188	231	273	18.2
Columbia (Bogota)	125	123	150	158	5.3	118	122	146	158	8.2
Ecuador (Quito)	106	109	118	---	---	104	107	113	---	---
Honduras (Tegucigalpa)	104	108	107	108	.5	104	108	110	113	2.6
Mexico (Mexico City)	102	106	112	115	2.3	102	106	110	114	3.0
Panama (Panama City)	105	105	105	107	1.8	102	103	103	104	1.4
Peru (Lima and Callao)	112	134	148	165	11.2	110	129	141	155	9.8
Venezuela (Caracas)	102	106	108	106	-2.0	101	103	103	102	-.9
Western Europe										
Austria	104	111	112	117	4.0	104	109	111	116	3.9
Belgium	105	110	115	118	2.5	104	108	113	116	2.9
Denmark	102	111	116	126	8.8	2/104	110	118	126	7.5
Finland	112	119	123	130	4.9	110	116	120	127	5.7
France	104	106	109	111	1.7	103	106	109	112	2.7
Germany, Federal Republic	102	106	109	109	0	102	106	110	111	1.5
Greece	101	106	112	112	.7	101	104	109	111	1.6
Ireland	106	113	113	116	1.9	107	112	115	119	3.1
Italy 3/	105	111	113	115	1.7	106	111	113	118	3.7
Netherlands 4/	106	113	118	121	2.5	106	111	117	121	3.4
Norway	109	112	115	120	4.3	106	110	114	119	4.4
Portugal (Lisbon)	106	110	118	120	1.8	103	107	112	119	5.5
Spain	105	122	127	132	3.8	107	121	129	137	6.5
Sweden	104	111	118	122	3.4	103	109	116	120	4.3
Switzerland	102	104	109	---	---	103	107	112	---	---
United Kingdom	103	106	110	113	2.5	103	108	112	115	2.5
Eastern Europe										
Czechoslovakia	101	101	101	---	---	101	102	102	---	---
Hungary (Budapest)	101	104	110	112	.9	101	102	106	106	.8
Poland	101	103	102	---	---	101	102	103	---	---
Yugoslavia	115	161	192	201	4.7	112	150	184	200	8.7
Africa										
Ghana (Accra)	116	158	163	139	-14.7	112	144	151	140	-7.3
Kenya (Nairobi) 5/	98	106	113	115	1.6	99	104	108	110	1.8
Morocco (Casablanca)	106	110	106	105	-1.1	104	108	106	106	-.8
South Africa 6/	105	111	115	119	3.5	102	106	110	114	3.4
Tunisia (Tunis)	105	113	117	121	3.2	104	111	115	119	2.9
United Arab Republic (Cairo)	106	132	147	145	-1.1	104	119	130	131	.9
Asia										
Cambodia (Phnom-Penh) 7/	98	96	96	93	-3.4	102	106	105	105	-.6
Ceylon (Colombo)	103	104	106	109	3.3	103	103	103	106	2.2
China (Taiwan)	103	105	110	114	4.4	100	100	102	105	3.3
India	115	127	141	164	16.3	113	124	137	155	13.1
Israel	101	110	116	119	2.7	105	113	122	124	1.6
Japan	104	113	117	123	4.8	104	111	116	121	4.0
Thailand (Bangkok, Thonburi)	104	105	112	120	7.2	102	103	107	111	4.0
Vietnam, Rep. (Saigon) 7/	104	129	237	363	53.2	103	120	194	279	43.8
Oceania										
Australia	104	110	112	117	4.0	102	106	110	113	3.2
New Zealand	106	109	111	119	7.3	104	107	110	117	6.0
Philippines (Manila)	113	115	126	136	8.1	108	111	118	125	5.7

1/ Derived from data in Monthly Bulletin of Statistics, June 1968, Statistical Office of the United Nations. 2/ Excluding rent. 3/ Including tobacco. 4/ All consumer items exclude compulsory social insurance and wage tax. 5/ Food includes tobacco; all consumer items excludes rent. 6/ White population. 7/ Working class.

MAPLE SIRUP

We have updated the information on U.S. production, imports, and consumption of maple sirup (table 9). 7/ Domestic production of maple sirup was down considerably in 1967 and 1968, due in large part to adverse weather which inhibited sap flow. Imports which increased during 1966 and 1967, helped to maintain U.S. consumption at previous levels.

In addition to increased imports, production of blended cane and maple sirup has expanded. Several blenders apparently are using less maple sirup in their blends than formerly--down from a content of approximately 15 percent to 10 percent. In changing the mix, blenders point to a lack of available maple sirup. Also, several companies are expanding sales of imitation maple-flavored sugar sirups. It is not likely that U.S. maple sirup output will significantly increase above current levels in future years.

7/ Gray, Frederick D., "The Maple Sweetener Situation," NFS-115 (February 1966), pp.26-31.

Table 9.--Maple sirup and maple sugar: Supply and apparent consumption, 1958 to 1968

Year	Maple sirup production	Imports 1/			Apparent consumption		Imports as percentage of consumption
		Maple sugar 2/	Maple sirup	Total	Total	Per capita	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Pounds	Percent
1958	15,312	8,259	7,235	15,494	30,806	0.18	50
1959	12,507	10,186	7,620	17,806	30,313	.17	59
1960	12,573	7,895	10,009	17,904	30,477	.17	59
1961	16,764	8,221	9,967	18,188	34,952	.19	52
1962	16,060	5,128	10,252	15,380	31,440	.17	49
1963	12,573	6,820	11,778	18,598	31,171	.16	60
1964	17,006	7,413	7,349	14,852	31,858	.17	49
1965	13,926	6,446	9,700	16,146	30,072	.15	54
1966	16,236	8,231	10,341	18,572	34,808	.18	53
1967 3/	10,769	5,692	12,656	18,348	29,117	.15	63
1968 3/	10,769	---	---	---	---	---	---

1/ Virtually all from Canada.
2/ Maple sugar converted to maple sirup basis; 1 gallon of maple sirup weights 11 pounds and contains 8 pounds of maple sugar.
3/ Preliminary.

For data prior to 1958, see "The Maple Sweetener Situation," NFS-115 (February 1966) page 27.

Table 10--Wholesale Price Indexes, selected items, 1947-68
(1957-59=100)

Year and month	Farm products			Processed foods and feeds														
				Meats														
	Eggs	Fresh and dried fruits and vegetables 1/	Total 2/	Beef and veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables 1/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 3/	Total 4/	All food 5/	Industrial commodities 6/	All commodities
1947-49	133.6	94.3	109.2	97.1	112.6	100.9	174.3	80.5	88.6	93.0	123.5	84.8	87.2	75.3	93.9	94.4	79.0	84.2
1950	113.4	86.1	106.4	106.8	98.3	103.6	148.5	80.7	84.0	92.8	101.8	83.9	85.1	83.5	93.2	93.0	82.9	86.8
1951	144.2	91.7	123.8	128.4	103.8	120.2	163.5	86.3	95.4	98.1	120.0	90.6	92.2	89.0	103.5	104.1	91.5	96.7
1952	128.0	113.4	116.8	122.3	101.6	110.8	149.8	85.7	100.6	97.6	98.7	90.6	94.8	90.8	102.3	102.7	89.4	94.0
1953	141.2	94.6	105.9	89.6	111.8	93.0	144.6	85.2	97.9	97.3	103.3	92.8	95.3	92.4	97.6	98.5	90.1	92.7
1954	106.7	93.5	104.4	88.0	115.9	92.4	121.4	85.2	94.0	97.2	105.0	96.5	98.0	102.9	99.3	97.7	90.4	92.9
1955	114.6	98.1	97.9	85.7	94.0	83.5	128.0	84.9	94.0	98.1	100.6	98.5	96.3	99.1	95.0	95.3	92.4	93.2
1956	109.4	98.2	96.6	82.3	87.8	79.8	108.4	91.9	96.2	100.4	105.4	97.6	95.7	101.5	94.8	95.2	96.5	96.2
1957	103.2	97.7	99.2	87.9	102.5	91.9	101.5	96.2	98.9	96.6	106.3	99.1	98.9	101.6	97.6	98.1	99.2	99.0
1958	109.2	105.6	103.6	105.3	108.3	108.9	102.2	103.5	99.8	102.0	102.3	99.9	100.8	99.4	102.5	103.3	99.5	100.4
1959	87.6	96.8	97.2	106.8	89.2	99.2	96.3	100.3	101.3	101.4	91.4	101.1	100.4	99.0	99.9	98.5	101.3	100.6
1960	103.2	100.6	96.9	100.6	91.0	96.8	99.9	102.0	105.0	99.5	90.5	103.2	101.8	98.8	100.0	100.0	101.3	100.7
1961	99.0	93.7	96.0	97.0	93.9	95.1	85.8	107.9	107.5	101.7	102.7	105.1	101.2	98.6	101.6	100.0	100.8	100.3
1962	95.2	97.7	97.7	103.2	94.1	97.8	90.2	119.2	106.9	98.0	97.3	107.6	102.2	99.0	102.7	100.6	100.8	100.6
1963	94.0	96.1	95.7	95.7	88.3	91.5	88.6	112.0	107.5	103.9	88.2	107.3	118.4	100.9	103.3	100.4	100.7	100.3
1964	90.8	103.2	94.3	90.5	88.3	89.0	87.4	107.4	107.8	104.8	89.7	107.8	111.8	106.2	103.1	100.8	101.2	100.5
1965	93.5	101.8	98.4	95.6	108.2	100.8	90.9	112.8	108.5	102.1	101.2	109.0	109.0	105.7	106.7	104.5	102.5	102.5
1966	107.9	102.5	105.6	104.1	117.5	109.9	97.3	127.2	118.5	104.8	104.6	115.4	110.5	105.8	113.0	110.7	104.7	105.9
1967	84.3	101.6	99.7	105.8	105.1	105.5	86.0	125.2	122.0	107.2	102.0	117.1	113.0	106.5	111.7	108.6	106.3	106.1
1968																		
January	73.8	108.1	99.0	107.4	103.5	105.1	87.0	134.0	123.8	113.7	100.2	117.1	113.4	107.9	112.4	109.5	107.8	107.2
February	80.0	112.5	101.3	109.6	104.0	106.7	93.2	133.4	124.0	113.8	100.2	117.4	113.7	108.6	113.3	111.1	108.3	108.0
March	80.9	114.5	102.1	110.1	102.8	106.8	89.7	130.1	123.3	114.4	100.2	117.4	113.7	108.9	112.9	111.0	108.6	108.2
April	82.7	112.0	102.1	109.7	96.6	105.0	89.3	133.3	125.9	114.6	100.2	117.3	114.0	109.5	112.8	110.8	108.8	108.3
May	72.6	123.6	103.6	110.5	98.5	106.2	91.8	132.8	128.9	114.6	100.2	117.1	114.2	109.4	113.6	112.2	108.6	108.5
June	88.3	106.4	102.5	110.5	108.6	109.4	93.6	132.6	128.7	114.8	100.2	117.0	116.0	109.4	114.6	112.3	108.8	108.7
July																		
August																		
September																		
October																		
November																		
December																		
	Seasonally adjusted																	
1967																		
January	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
February	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
March	87.8	95.4	99.2	---	---	---	---	---	121.1	104.0	100.2	117.7	113.0	105.9	111.0	---	---	---
April	86.4	92.0	97.3	---	---	---	---	---	120.8	103.9	101.1	117.1	111.4	106.1	110.8	---	---	---
May	89.3	98.4	101.5	---	---	---	---	---	122.4	105.0	101.9	117.8	112.3	106.1	111.6	---	---	---
June	87.4	110.4	103.9	---	---	---	---	---	123.4	106.2	102.5	117.4	113.5	106.2	113.1	---	---	---
July	92.6	104.5	101.9	---	---	---	---	---	122.5	106.8	102.1	116.3	114.5	106.3	112.4	---	---	---
August	78.2	101.5	98.8	---	---	---	---	---	122.2	109.0	102.6	117.0	114.1	106.3	112.2	---	---	---
September	81.7	96.3	97.6	---	---	---	---	---	122.0	109.0	103.6	116.8	114.1	106.7	112.4	---	---	---
October	70.6	97.0	97.7	---	---	---	---	---	122.3	109.1	102.5	116.8	113.8	107.4	111.3	---	---	---
November	71.8	103.7	96.8	---	---	---	---	---	121.9	111.4	101.2	116.7	113.9	107.5	111.1	---	---	---
December	85.2	110.2	100.0	---	---	---	---	---	122.9	112.7	100.4	116.9	112.5	107.7	111.5	---	---	---
1968																		
January	74.8	111.1	98.7	---	---	---	---	---	123.3	112.9	98.6	117.1	112.1	107.9	111.7	---	---	---
February	83.1	113.3	101.1	---	---	---	---	---	124.0	113.8	99.0	117.5	112.4	108.6	113.2	---	---	---
March	79.4	113.0	102.2	---	---	---	---	---	123.8	114.4	99.3	117.6	113.7	109.1	113.6	---	---	---
April	73.3	104.4	101.8	---	---	---	---	---	126.8	114.6	100.0	117.5	114.3	109.6	113.9	---	---	---
May	85.7	117.3	103.9	---	---	---	---	---	130.3	114.6	106.0	117.3	114.8	109.5	114.7	---	---	---
June	100.1	100.8	102.9	---	---	---	---	---	129.9	114.3	101.2	117.1	116.8	109.3	114.4	---	---	---
July																		
August																		
September																		
October																		
November																		
December																		

1/ Includes potatoes. 2/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 3/ Includes alcoholic beverages. 4/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately. 5/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 6/ Prior to 1967, includes manufactured animal feeds, soft drinks and alcoholic beverages.

Bureau of Labor Statistics.

Table 11.--Retail food price indexes and Consumer Price Index, selected periods
(1957-59=100)

Year and month	Food at home																	Consumer Price Index
	Meats			Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total	Food away from home	All food	
	Beef and veal	Pork	Total 1/						Fresh	Processed	Total							
1935-39	36.5	43.2	37.8	68.7	28.9	60.3	45.9	65.4	37.3	50.2	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	97.0	87.8	91.4	126.1	89.0	104.7	84.7	94.2	76.6	81.7	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	113.3	93.1	103.6	132.1	101.6	127.4	94.5	110.3	83.1	92.4	86.3	86.0	90.1	94.7	90.9	5/	95.4	90.5
1952	112.4	92.1	102.6	132.6	99.0	116.3	98.5	93.5	96.6	91.0	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	88.6	102.5	95.8	129.3	95.3	123.2	96.8	93.9	91.1	93.2	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	85.3	105.7	95.3	116.7	95.8	103.1	93.7	98.9	89.3	92.6	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	84.4	91.0	87.7	121.5	93.9	106.5	93.6	95.9	91.0	93.4	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	83.1	86.4	84.8	106.5	93.8	105.9	96.0	98.0	96.3	96.3	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	89.2	99.5	94.2	103.8	95.0	100.9	98.8	102.4	97.0	94.2	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	103.8	106.1	104.9	102.6	101.6	106.1	100.3	101.2	104.0	100.8	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	106.9	94.4	101.0	93.5	103.4	92.9	101.0	96.5	99.1	105.0	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
1961	102.5	98.2	100.5	85.8	105.8	100.1	104.8	98.6	103.5	105.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
1962	106.2	99.1	102.5	90.7	110.2	94.6	104.1	98.5	106.3	102.6	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
1963	105.0	96.6	100.9	89.3	110.0	96.0	103.8	95.7	112.6	108.3	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7
1964	101.9	96.1	99.4	87.3	107.4	95.0	104.7	95.4	119.2	110.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.9	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	109.9
1966	112.4	125.1	116.8	94.9	117.8	105.7	111.8	107.2	123.9	109.9	117.6	115.8	111.3	100.0	112.6	123.2	114.2	113.1
1967	113.1	114.8	113.8	88.9	121.8	88.4	116.7	106.5	124.3	109.2	117.5	118.5	114.7	99.1	112.3	129.6	115.2	116.3
1968																		
January	115.9	112.0	114.4	88.3	122.7	85.2	118.5	105.3	132.1	114.4	124.1	118.3	116.0	99.4	113.8	132.9	117.0	118.6
February	116.3	113.1	114.9	88.0	122.9	89.2	118.5	105.0	133.1	114.8	124.9	118.2	116.0	99.8	114.2	133.3	117.4	119.0
March	116.3	114.5	115.3	94.4	121.4	86.1	118.7	104.6	135.4	114.6	126.1	118.1	116.2	99.9	114.7	133.7	117.9	119.5
April	116.0	113.6	115.0	92.7	122.2	89.7	118.8	104.5	136.9	115.1	128.3	118.3	116.4	100.5	115.1	134.4	118.3	119.9
May	117.1	114.0	115.7	91.0	122.9	81.9	120.2	104.5	142.7	115.6	130.7	118.4	116.7	101.1	115.6	135.1	118.8	120.3
June	117.3	113.9	115.8	91.5	123.6	83.9	120.9	104.7	141.7	115.4	130.0	118.6	117.6	101.3	115.8	135.7	119.1	120.9
July																		
August																		
September																		
October																		
November																		
December																		
	Seasonally adjusted																	
1967																		
January	110.6	115.1	112.7	86.9	122.6	103.4	115.8	---	126.4	---	118.5	---	---	---	112.5	---	114.9	---
February	111.5	114.3	112.8	88.5	121.4	88.8	115.9	---	120.0	---	114.4	---	---	---	111.4	---	114.0	---
March	111.4	113.8	112.8	88.1	122.7	93.3	115.6	---	120.9	---	114.7	---	---	---	111.6	---	114.3	---
April	111.1	113.7	112.1	88.4	122.7	88.5	116.3	---	116.6	---	112.1	---	---	---	110.9	---	113.9	---
May	111.0	113.8	112.3	90.6	122.3	90.1	116.6	---	119.5	---	113.5	---	---	---	111.5	---	114.5	---
June	114.9	120.6	116.6	85.6	121.1	89.6	117.4	---	121.6	---	115.1	---	---	---	112.6	---	115.3	---
July	114.3	117.4	115.2	88.4	121.3	86.4	117.0	---	123.2	---	116.0	---	---	---	112.0	---	115.0	---
August	114.2	115.8	115.0	89.4	121.6	95.2	116.6	---	130.1	---	120.6	---	---	---	112.9	---	115.8	---
September	113.8	113.2	113.6	90.2	121.4	83.2	117.1	---	127.1	---	119.7	---	---	---	112.5	---	115.6	---
October	114.1	113.5	113.9	87.8	121.5	82.4	117.3	---	127.9	---	120.5	---	---	---	112.7	---	115.8	---
November	115.0	113.2	114.2	87.8	121.3	79.6	117.0	---	127.7	---	121.1	---	---	---	112.9	---	116.1	---
December	115.4	112.8	114.4	89.0	122.1	82.1	117.4	---	131.2	---	122.9	---	---	---	112.7	---	116.4	---
1968																		
January	116.2	112.4	114.6	91.1	122.3	81.9	117.9	---	137.7	---	127.0	---	---	---	114.1	---	117.2	---
February	116.2	113.9	114.9	87.2	122.7	86.9	118.4	---	135.1	---	125.8	---	---	---	114.3	---	117.4	---
March	116.5	116.5	116.1	95.2	121.2	87.6	118.8	---	135.0	---	125.8	---	---	---	114.9	---	118.1	---
April	117.3	117.8	116.6	93.3	121.8	92.8	119.4	---	136.3	---	126.9	---	---	---	115.6	---	118.7	---
May	118.4	119.1	117.9	93.7	122.7	88.7	120.9	---	139.1	---	128.9	---	---	---	116.4	---	119.4	---
June	118.4	115.2	117.3	93.2	123.8	94.9	121.9	---	133.2	---	125.5	---	---	---	115.9	---	119.2	---
July																		
August																		
September																		
October																		
November																		
December																		

1/ Beef, veal, lamb and mutton, pork, and processed meat. 2/ Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. 3/ Includes butter. 4/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 5/ Data not collected prior to 1953.

Bureau of Labor Statistics.

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The next issue of the National Food Situation is scheduled to be available November 27, 1968.

The summary is scheduled to be released to the press immediately after the Outlook and Situation Board meeting November 21, 1968.

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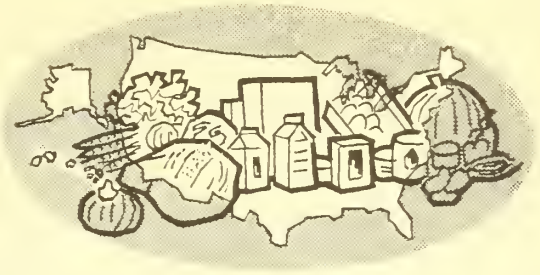
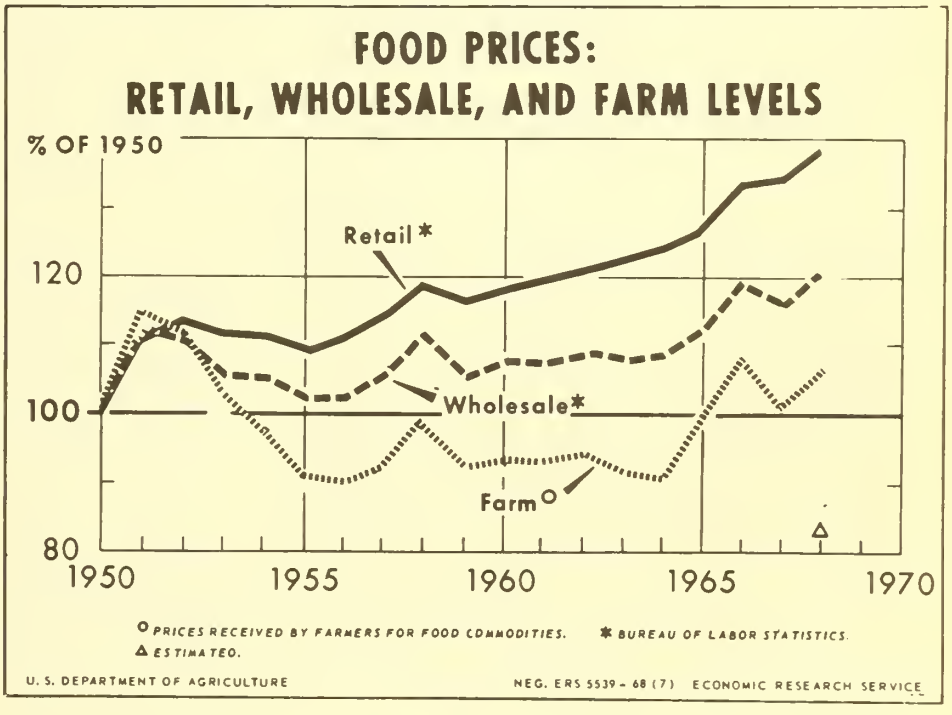
NATIONAL FOOD SITUATION



NFS-126 NOVEMBER 1968

Retail food prices this year reflect strong consumer demand and inflationary pressures that reach all the way back to raw farm products. In addition, higher costs of labor and other marketing inputs and expanded profits are leading to wider farm-retail marketing margins. Higher restaurant food prices are also contributing to the 3-1/2% retail price gain for all food in 1968.

Prices received by farmers for food products (farm value of the market basket) this year are averaging significantly higher than last year's reduced level but below that of 1966. Reduced supplies of fruits and fresh vegetables added to price pressures. Wholesale food prices also are rebounding.



IN THIS ISSUE

Outlook Through Mid-1969

U.S. Food Consumption: Annual Disappearance Versus Survey Data

Published quarterly by
ECONOMIC RESEARCH SERVICE • U.S. DEPARTMENT OF AGRICULTURE

Table 1 .--Consumer, wholesale, and farm price indexes (1957-59=100), 1966-68

Item	1966	1967					1968			
		I	II	III	IV	Year	I	II	III	
									Index	Percentage change from 1967 III
Retail prices: 1/										
All goods and services (CPI)	113.1	114.8	115.6	116.8	117.8	116.3	119.0	120.4	121.9	4.4
All items less food	113.0	115.1	116.2	117.2	118.6	116.8	119.7	121.1	122.6	4.6
All food	114.2	114.4	114.2	116.2	115.8	115.2	117.4	118.7	120.3	3.5
Food at home	112.6	111.8	111.3	113.4	112.6	112.3	114.2	115.5	116.9	3.1
Food away from home	123.2	127.4	128.7	130.3	131.9	129.6	133.3	135.1	137.2	5.3
Wholesale prices: 1/										
All commodities	105.9	106.0	105.8	106.3	106.4	106.1	107.8	108.5	109.0	2.5
Industrial commodities	104.7	105.9	106.0	106.3	107.1	106.3	108.2	108.7	109.0	2.5
Farm products	105.6	101.1	100.2	100.1	97.5	99.7	100.8	102.7	102.7	2.6
Processed food	111.5	109.8	109.7	111.6	110.1	110.3	111.8	112.9	114.8	2.9
All food 2/	110.7	108.4	108.2	109.6	108.2	108.6	110.5	111.8	113.3	3.4
Prices received by farmers: 3/										
Crops	106	100	100	99	102	100	103	104	101	2.0
Livestock and products	113	107	106	110	105	107	108	110	114	3.6
Total	110	104	104	105	104	104	106	107	109	3.8
Market basket of U.S. farm foods: 4/										
Retail cost	111.4	109.5	108.8	111.2	110.2	110.0	112.0	113.3	114.8	3.2
Farm-retail spread	109.5	111.2	111.1	111.9	113.7	112.2	113.8	113.9	115.1	2.9
Farm value	114.3	106.9	105.2	110.0	104.8	106.6	109.3	112.4	114.4	4.0

1/ Department of Labor, Bureau of Labor Statistics.

2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.

3/ Statistical Reporting Service.

4/ Economic Research Service.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, November 21, 1968

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SUMMARY*

Food prices in grocery stores this winter and next spring likely will average around current levels. Large supplies of many farm products now in prospect and an easing in the growth rate of consumer demand likely will combine to put downward pressure on farmers' prices. Nevertheless, prices for food in restaurants likely will keep rising.

In total, retail prices for all food may thus undergo some small increase between now and mid-1969. But food price gains should trail those for prices of most other consumer items.

Retail food prices on the average are expected to continue above a year earlier through next summer, but the year-to-year difference should become progressively smaller. Compared with a year earlier, retail food prices in first-half 1969 likely will average:

- --lower for many fruit products, fresh and processed vegetables, fats and oils products, and pork;
- --higher for eggs, turkey, dairy products, potatoes, candy and other chocolate products, and soft drinks;
- --about the same for beef, cereal and bakery products, sugar, tea, and coffee.

Retail food prices in third-quarter 1968 were higher than previously expected--a reflection of the strong consumer demand. Relatively stable prices in the fourth quarter likely will result in prices for the year averaging about:

- --3% above last year for food at home;
- --5% higher for restaurant food;
- --3½% higher for all food.

Food spending in third-quarter 1968 increased 1% from the previous quarter. A slight additional rise this fall would bring total spending for the year to $101 billion, up 7% from 1967. A further but less exuberant gain is likely in 1969, if the rise in consumer demand slows, as now anticipated.

On the average about 17.2% of after-tax income is being spent for food this year, down fractionally from 1967. More of the same is likely in 1969.

*The summary of this report and a summary table were released to the press on November 21, 1968.

Total uses of all food commodities in 1968 likely will exceed the year-earlier level by around 2%. Most of this increase results from more food purchased by civilians--mainly due to population growth. Also, the military may be buying more food this year and the quantity of exports likely is rising. However, food production is outstripping the gains in utilization, and imports are up. On balance, stocks of food commodities on December 31 are expected to exceed a year earlier by a significant margin.

Per capita consumption of animal products in 1968 will average about 1% larger and crop products 1% smaller than a year earlier. Compared with 1967, per capita consumption this year likely will total:

--higher for beef, pork, cheese, ice cream, low-fat fluid milk, processed vegetables, rice, and soft drinks;
--lower for veal, lamb, eggs, chicken, turkey, fluid whole milk and cream, citrus fruit, apples, fresh vegetables, and melons;
--little different for sugar, fats and oils, potatoes, most cereal and bakery products, coffee, and chocolate products.

In first-half 1969, greater consumption than in the same period of 1968 is likely for red meat, broilers, citrus and noncitrus fruit, and fresh and processed vegetables. But a decline in consumption is likely for turkey, veal, lamb, and eggs. If these changes occur, the levels of ascorbic acid, iron, and thiamine in the average diet will improve, but calcium will edge downward.

The National Agricultural Outlook Conference for 1969 is scheduled for February 17-19, 1969. Formerly it was held in the fall of the preceding year.

Coinciding with this shift in the date of the Outlook Conference, the food situation and outlook for calendar year 1969, usually carried in the November National Food Situation, will appear in the February 1969 issue.

FOOD PRICES

Stable Retail Prices in Prospect

Retail food prices this fall apparently are holding near those during the summer (table 20, p. 43, and fig. 1). For grocery store prices, some seasonal decline from the peak August level has occurred. But price increases for restaurant food have accelerated in recent months.

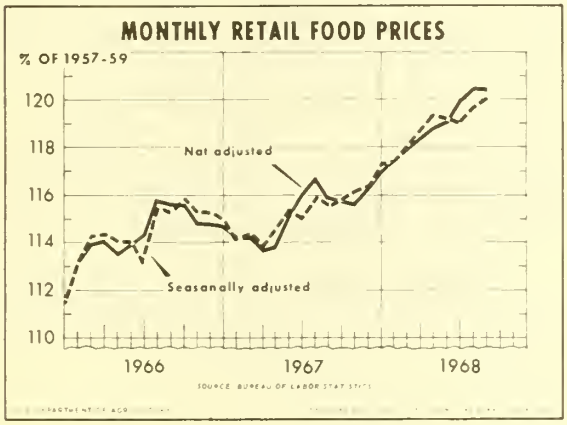

Figure 1

Food prices in grocery stores this winter and next spring should hold near current levels. Prospective supplies likely will be large for many farm products--including meat, citrus fruit, and processed vegetables. Also, growth in consumer demand is expected to ease. Continuing increases in prices for food away from home likely will give an upward tilt to average prices for all food. But, food price increases probably will trail price gains in the Consumer Price Index between now and next summer.

By next summer food prices likely will be only around 1% ahead of the comparable months of 1968, a significant narrowing from recent year-to-year differences.

Retail Prices Have Been Strong

Food prices in third-quarter 1968 advanced seasonally from the previous quarter. Prices for food at grocery stores increased more than 1% from the previous quarter and averaged 3% above a year earlier (table 1, inside cover, and fig. 2). Prices for food away from home were up even more. They climbed 1½% from the previous quarter--an annual rate of 6%--and averaged 5% above a year earlier.

Retail prices for 1968 likely will average a little more than 3% above 1967 for food purchased in grocery stores and a little more than 5% above for food purchased in restaurants. All food will average around 3½% above last year in price.

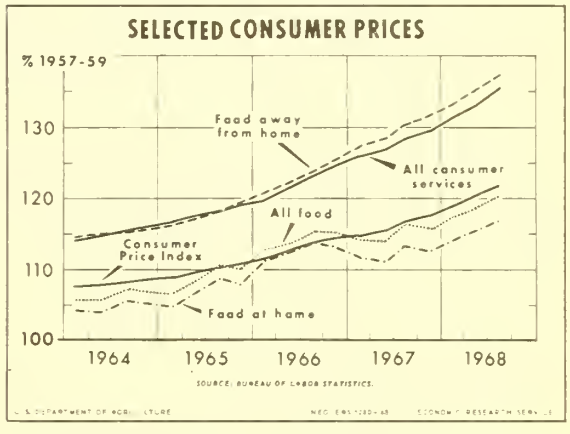

Figure 2

Wholesale Prices Up Also in 1968

Wholesale food prices in third-quarter 1968 advanced nearly 1½% from the previous quarter (fig. 3). But wholesale prices for farm products--that include raw food products plus nonfood farm products--remained stable at the level of the second quarter (table 1, inside cover). This gap reflected an increase in costs of processing food products as well as some price declines among nonfood farm products.

At the third-quarter level, wholesale food prices averaged 3% above a year earlier. This increase was somewhat greater than for wholesale prices of farm products and for industrial commodities. Prices were higher for almost all categories of food--especially for poultry,

eggs, dairy products, and processed fruits and vegetables. But prices were lower for pork and vegetable oil products (table 19, p. 42).

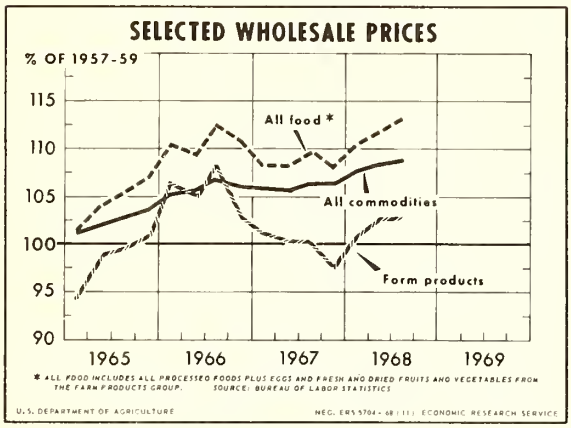

Figure 3

Wholesale food prices are dropping more than seasonally this fall, since supplies of many farm products are running larger than usual. But for the year, wholesale prices are up nearly as much as retail prices (cover chart).

Marketing Margins Widen

The farm-retail price spread--based only on foods originating on U.S. farms--in first-half 1968 held relatively stable at 2% above a year earlier. But the margins widened a little more than usual in the third quarter (table 1). The surge in retail prices at this time was due about equally to widened margins and higher prices received by farmers for food products.

Prices received by farmers in the third quarter were much above a year earlier for poultry, eggs, and fruits and vegetables, but lower for cereal products and fats and oils products. Price spreads were wider for all product groups except poultry. A wider price spread for fresh fruit contributed importantly to higher retail prices in the third quarter.

Increased wages contributed to higher food marketing costs. Hourly earnings received by workers in the food and kindred product industries averaged $2.79 per hour in third-quarter 1968, an increase of 6% from a year earlier. This rate compares with a 5% gain experienced during all of 1967 and 4% during 1966.

Profits of food processing firms are also larger so far this year than a year earlier--but they had declined in 1967. The First National City Bank of New York reported after-tax profits of 46 food processors to be 1% higher (in total) in third-quarter 1968 than a year earlier, despite higher taxes. Results for the first 9 months also showed profits up 1% from a year earlier. Although up, these results fell short of the 12% gain reported for total manufacturing.

Marketing margins likely will continue to widen into 1969 in response to increases in wage rates and other costs of processing and marketing.

The Ups and Downs at Retail in 1969

In first-half 1969, retail prices for many fruits and vegetables are expected to average below 1968's relatively high levels. Supplies of citrus, canned peaches and fruit cocktail, and both canned and frozen vegetables will be larger than a year earlier. Lower prices will be a welcome relief to consumers who have been paying higher prices for fruits and vegetables in 1968. Prices for potatoes this winter likely will be above last winter.

Relatively stable retail prices for beef, but lower prices for pork products, are in the offing for the next 6 to 8 months when larger supplies are in prospect. Higher prices are likely again for lamb chops. Beef and veal prices this year are averaging about 4% higher than in 1967 and pork prices are stable, despite larger per capita supplies (fig. 4).

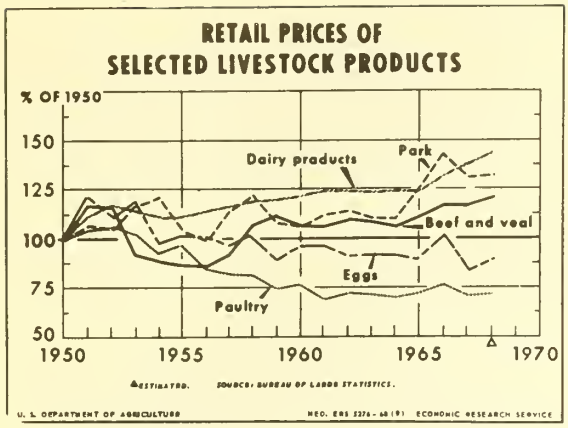

Figure 4

Consumers will likely find dairy and poultry product prices in the early months of 1969 continuing above a year earlier. Prices for eggs and turkey, severely depressed in first-half 1968, likely will average substantially higher in first-half 1969.

Candy and confectionery prices also will likely be higher in the next few months, because of a sharp rise in wholesale prices for cocoa and chocolate. Retail prices for sugar and for cereal and bakery products--increasing only a half of 1% this year--probably will again increase slightly next year (fig. 5). Wholesale refined sugar prices this year have risen slightly more than at retail (fig. 6).

Retail prices for regular coffee this year are averaging about 1% below a year earlier, but prices for "instant" coffee are rising slightly. These changes reflect wholesale price movements--a little lower for Brazil's Santos 4's and a little higher for African Robustas. Some increases at retail may be expected in the next half year for both kinds of coffee.

Soft drinks were in the forefront of the strong food price increases this year, with a 7% to 8% rise, and no letup is expected in 1969.

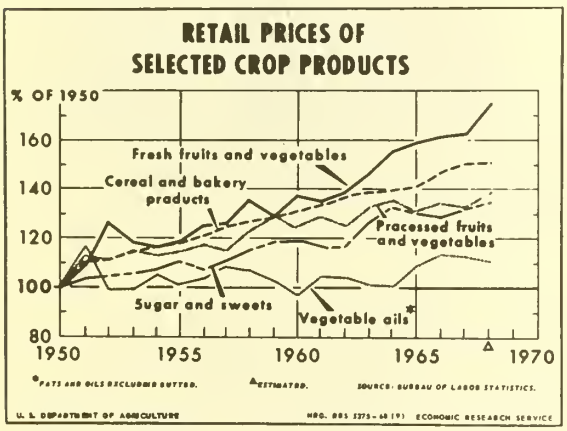

Figure 5

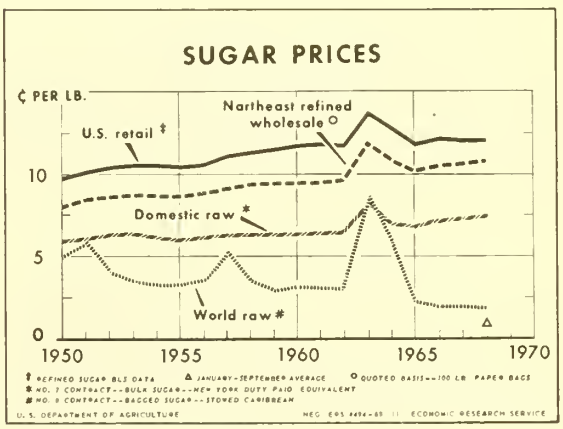

Figure 6

FOOD SPENDING AND INCOME 1/

Spending for food in third-quarter 1968 reached an annual rate of $102.2 billion on a seasonally adjusted basis, up 1% from the previous quarter and a sizable 8% above a year earlier (fig. 7). The rate of increase in food spending was as large as the rate of increase in disposable income, a rather unusual situation.

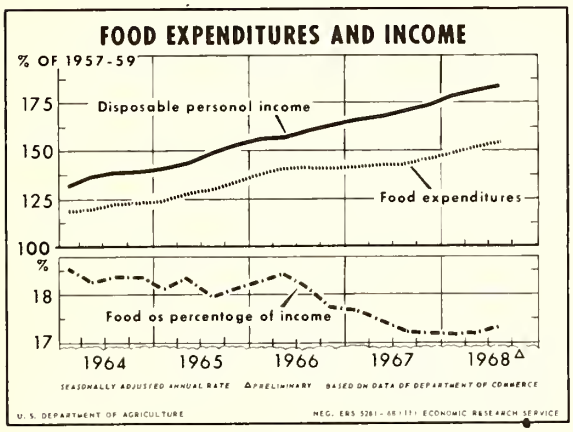

Figure 7

Strong demand for food was a part of this year's general increase in consumer spending. Continued rapid growth in spending in the third quarter cut into the rate of personal savings, and drove installment credit upward.

The fourth quarter of this year probably is experiencing some slowdown in the rate of increase in food spending, as well as spending for all other goods and services. Nevertheless, even a small fourth quarter rise would yield an average 7% increase in expenditures for food in 1968.

Food spending and after-tax income estimates for the year are as follows: 1/

	1967	1968 estimate	Percent change
Food expenditures (bil. dol.)	95	101	7
Disposable personal income (bil.dol.)	546	588	8
Percent spent for food	17.4	17.2	---

Spending for food in first-half 1969 likely will continue upward as the result of continued growth in population, expected increases in per capita consumption, and the trend toward purchase of more expensive foods. But, due to an expected slowdown in income gains and relatively stable food prices, food spending likely will not be as buoyant as during the past 3 or 4 quarters.

Around 17.2% of disposable personal income is being spent for food in 1968, off slightly from 1967. It likely will not change much in the next half year since food spending likely will go up at about the same rate as disposable income.

Industrial production of food has been stronger than production of total manufacturing products since summer. Industrial production of food and beverages in the third quarter was running about 3% above a year earlier and up 1% from the previous quarter, on a seasonally adjusted basis.

Shipments of products by food and kindred product manufacturers have risen even faster than data on industrial production would suggest. Inventories of these manufacturers have not kept pace with the growth in shipments, although stocks continue above year-earlier levels.

Retail sales in September and October, although substantially above a year earlier, leveled off on a month-to-month basis. Sales by nondurable goods stores in October were at the same level as in August, but sales by durable goods stores were down 3%.

1/ Historical data are published in Food Consumption, Prices and Expenditures, Agricultural Economic Report No. 138, July 1968. An estimated breakdown of food spending for use at home and away from home since 1960 was published in National Food Situation, NFS-125 (August 1968), page 9.

October sales by the food group are not available, but figures for July through September have all failed to scale the June peak, on a seasonally adjusted basis. 2/ Third quarter sales exceeded the second quarter by only a half of 1%.

Sales by eating and drinking places in September set a new monthly peak but for the quarter gained only a half of 1%. Compared with a year earlier, sales were up 8% in September. Since prices rose 6%, the gain implies little expansion in volume.

FOOD SUPPLY AND UTILIZATION

Total utilization of all farm food commodities in 1968 likely will exceed a year earlier by around 2% (figure 8 and table 2). Much of this increase will reflect greater civilian food consumption--mainly due to population growth. But military purchases and the quantity of exports may also be up.

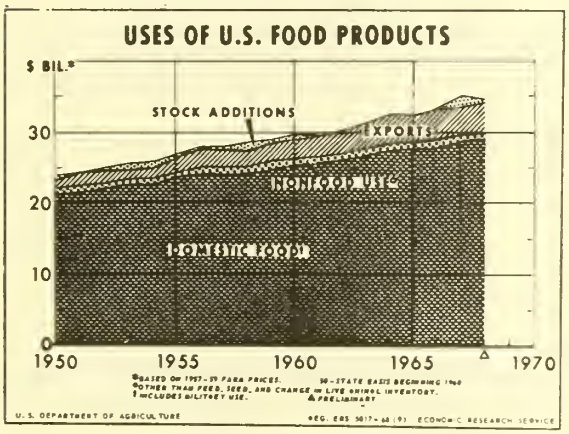

Figure 8

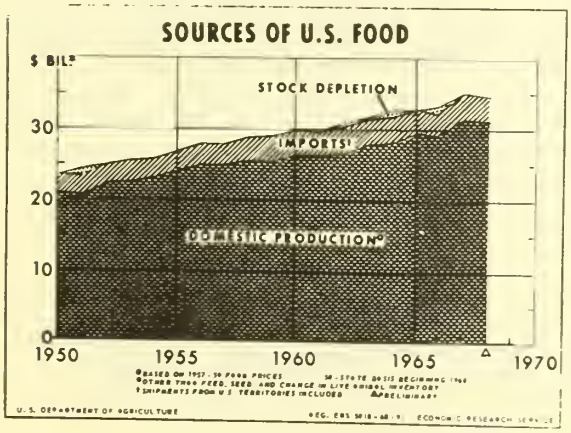

Figure 9

Food supply is reaching a new record level in 1968 (figure 9). Part of the gain over last year is due to larger output of livestock products--mostly red meat. But, most of the increase comes from crop products, such as food grains, sugar, vegetables for processing, and noncitrus fruits. Imports of food commodities also are rising to augment our total food supply this year.

Inventories of food commodities rose nearly a tenth between January and December 1967. This year they are expected to be up nearly as much again by the end of December.

Food marketings this year are expected to increase somewhat less than overall output; marketings of nonfood products are rising significantly (table 3). As usual, consumption of home produced food is dropping, both for livestock and crop products.

2/ The U.S. Department of Commerce revised its aample for measuring retail sales effective with the September report. The new sample includes sales by "nonstores" such as mail order houses, vending machine operators, and house-to-house selling establishments. The new sample had a significant effect upon the sales reported for the food group and an even more important impact upon sales for eating and drinking places. The new sample reduced the level of sales by eating and drinking places by 8%. Apparently, the food and the eating and drinking place groups previously contained a sizable number of establishments that sold significant amounts of general merchandise.

Table 2.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1964 to date 1/

Year	Supply: Production	Supply: Imports 2/	Supply: Stocks 3/	Total annual utilization	Utilization: Domestic use: Food: Civilian	Utilization: Domestic use: Food: Military	Utilization: Domestic use: Nonfood: Seed and feed	Utilization: Domestic use: Nonfood: Other	Utilization: Domestic use: Total	Utilization: Exports and shipments 4/
A.--All food commodities (1957-59=100) 5/										
1964	110.9	102.6	119.6	118.0	112.1	113.3	---	104.4	111.8	181.4
1965	116.1	101.4	108.9	117.4	112.1	127.6	---	108.4	112.3	170.3
1966	114.4	109.7	110.2	120.4	114.0	136.2	---	110.2	114.3	183.4
1967 6/	123.6	114.5	103.0	121.7	117.6	141.6	---	103.5	117.5	164.7
1968 6/	124.8	115.9	113.5	124.1	119.7	144.3	---	103.1	119.5	171.1
Livestock food commodities (1957-59=100)										
1964	114.4	137.9	133.6	115.6	114.4	112.8	98.5	94.5	111.8	192.1
1965	112.5	130.1	106.5	113.2	113.4	124.1	94.7	93.6	111.0	132.6
1966	114.6	172.5	88.3	115.2	116.1	132.8	100.1	87.4	113.7	104.7
1967 6/	118.4	181.4	102.4	118.6	120.0	143.8	88.3	88.5	117.2	106.9
1968 6/	119.0	190.3	131.7	120.9	122.1	150.5	87.9	88.0	119.3	110.3
Crop food commodities (1957-59=100)										
1964	106.0	97.1	118.9	117.6	107.2	114.8	110.5	110.3	108.7	178.9
1965	117.5	96.7	109.0	118.7	109.4	135.9	109.2	117.4	109.9	179.1
1966	118.1	100.2	111.3	127.5	109.6	148.0	125.4	124.0	116.7	201.9
1967 6/	127.5	104.6	103.0	123.4	112.5	133.9	119.4	112.5	115.4	178.3
1968 6/	130.9	105.3	112.5	127.0	115.1	122.8	123.8	112.?	114.7	185.4
B.--All food commodities: Percentage of annual utilization 5/										
1964	86.1	9.9	4.0	100.0	82.0	1.5	---	2.9	86.4	13.6
1965	90.6	9.9	-.5	100.0	82.4	1.8	---	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	---	2.9	86.5	13.5
1967 6/	93.0	10.7	-3.7	100.0	83.4	1.9	---	2.7	88.0	12.0
1968 6/	92.1	10.7	-2.8	100.0	83.2	1.9	---	2.7	87.8	12.2
Livestock food commodities: Percentage of annual utilization										
1964	96.7	2.5	.8	100.0	90.0	1.9	2.3	1.5	95.7	4.3
1965	97.0	2.5	.5	100.0	91.0	2.1	2.3	1.6	97.0	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	2.4	1.4	97.6	2.4
1967 6/	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968 6/	96.2	3.4	.4	100.0	91.8	2.4	2.0	1.4	97.6	2.4
Crop food commodities: Percentage of annual utilization										
1964	78.9	14.9	6.2	100.0	44.5	.6	32.1	3.4	80.6	19.4
1965	86.7	14.7	-1.4	100.0	45.0	.8	31.5	3.5	80.8	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	33.6	3.5	79.8	20.2
1967 6/	90.4	15.3	-5.7	100.0	44.6	.7	33.1	3.2	81.6	18.4
1968 6/	90.2	15.0	-5.2	100.0	44.3	.6	33.3	3.2	81.4	18.6

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities and comparable data for 1950-63, see National Food Situation, NFS-124 (May 1968), pp. 15-17.

2/ Includes shipments from U.S. Territories.

3/ Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals.

4/ Includes shipments to U.S. Territories.

5/ Feed and seed omitted from total commodities to avoid double counting of use through livestock.

6/ Preliminary.

Table 3.--Volume of farm marketings and home consumption 1/
(1957-59=100)

Item	1967	1968 indications	Percentage change
			Percent
All farm commodities	121	123	2
Food and marketings and home consumption	121	121	0
Food marketings	125	126	1
Total food livestock	124	124	0
Meat animals	128	131	2
Poultry and eggs	141	136	-4
Dairy products	104	103	-1
Total food crops	126	131	4
Food grains	139	146	5
Vegetables 2/	115	118	3
Fruit and nuts	115	110	-4
Sugar crops	138	157	14
Home consumption	48	46	-4
Livestock	50	48	-4
Crops	44	43	-2
Nonfood marketings	121	130	7

1/ Quantities of farm products weighted by constant farm prices. Data beginning 1910 reported in Food Consumption, Prices and Expenditures, Agric. Econ. Report No. 138, July 1968, p. 163. 2/ Includes potatoes, dry edible beans, and melons.

Military purchases of livestock products this year are expected to exceed a year earlier even though purchases of beef so far this year have been reduced (table 4). Military purchases of crop food commodities are less this year. Purchases of vegetables and processed fruits so far this year are well below a year earlier.

Food production likely will continue to exceed a year earlier in first-half 1969. Larger output of beef, pork, broilers and citrus fruit likely will lead the way, but some offsets are likely for turkey and eggs.

Food Export Volume Up But Prices Down

For calendar 1968, the quantity of food products exported is expected to exceed a year earlier--both for crop and livestock products. But, export prices are lower for many agricultural products, reflecting larger available or anticipated world supplies. Consequently, the value of agricultural exports likely will approximate the $6.4 billion exported during 1967. The value of exports is not likely to equal a year earlier during first-half 1969, partly because of lower prices.

Table 4.--Military food procurement, 1967 and January-August 1968 1/ 2/

Item	1967					1968		
	I	II	III	IV	Year	I	II	July-August
	Million pounds							
Meat: 3/								
Beef and veal	181	207	193	220	801	167	197	113
Pork	62	82	63	62	269	69	92	53
Other	0	1	1	1	3	1	1	1
Fish 4/	11	19	11	9	50	9	14	7
Chicken and turkey 5/	34	39	40	35	148	40	40	30
Eggs 6/	40	53	41	39	173	42	47	25
Dairy products 7/	---	---	---	---	2,118	---	---	---
Fats and oils 8/	40	65	28	32	165	28	41	17
Fruits:								
Fresh	55	61	45	59	220	57	57	32
Processed	64	244	65	37	410	24	115	67
Vegetables:								
Fresh 9/	235	201	162	259	9/868	184	174	98
Processed	60	84	36	170	350	34	53	38
Cereal products:								
Wheat flour 10/	36	91	40	41	208	49	79	29
Other cereal products	14	26	15	5	60	16	19	52
Sugar and sirups 11/	52	54	52	33	191	27	21	25
Coffee, tea, and cocoa 12/	18	13	11	5	47	5	19	11
Value of central procurement (million of dollars) 13/	$235	$317	$280	$220	$1,052	$223	$292	$213
Percentage of total quantity of food use in the U.S. 14/	---	---	---	---	2.2%	---	---	---

1/ Centrally procured, except for dairy. 2/ Data in terms of product weight unless otherwise indicated. 3/ Carcass weight basis. 4/ Major fish and shellfish items only. 5/ Ready-to-cook basis. 6/ Shell equivalent. 7/ Milk equivalent (butter-fat basis) of all dairy products. Locally procured items estimated by U.S.D.A. 8/ Includes salad dressing, mayonnaise, and peanut butter; excludes butter. 9/ Includes potatoes and sweetpotatoes. Dehydrated onions and potatoes are converted to fresh weight equivalent. Includes dehydrated onions not available by quarters. 10/ Wheat flour equivalent. 11/ Excludes sweeteners in manufactured products. 12/ Coffee, roasted bean basis; tea, leaf basis; and beverage cocoa. 13/ Includes minor amounts of nonfood products and food items other than those listed above. 14/ Estimate of total military consumption; derived from data in table 2 .

Based primarily on data from the U.S. Department of Defense, Defense Personnel Support Center, Philadelphia, Pa.

Refer to the February 1968 NFS for 1964, 1965, and 1966 data.

The value of agricultural products exported during the first 8 months of 1968 was down 1% from the same period last year. Exports of food products were down a little more due to declines in the export value of soybeans and soybean oil and of fruits and nuts. The value of exports of wheat and wheat products was up only 2%, although the value of cereal grain products other than wheat (largely rice) was up 6%.

Value of agricultural exports in January-August

Item	1967	1968	Percent change
	Million dollars	Million dollars	Percent
Food commodities:			
Animal products	218	211	-3
Crop products	2,099	2,054	-2
Total food	2,317	2,265	-2
Nonfoods:			
Animal products	250	216	-14
Crop products	1,569	1,593	2
Total nonfood	1,819	1,809	-1
All commodities	4,136	4,074	-1

Food Imports Up This Year

The value of imports of food commodities during the first 8 months of 1968 was up 12% from a year earlier. Gains were largest for crop products.

The value of imports of meat and meat products during the first 8 months of 1968 was up 15% from the same period last year. But, the value of imports of dairy products, which had risen substantially in the 3 previous years, has declined sharply. Dairy import quotas, effective July 1, 1967, limited dairy imports in 1968. Additional quota restrictions on certain types of cheese, effective September 24, 1968, will reduce imports further in 1969.

The value of coffee and sugar imports rose significantly during the first 8 months of 1968, mostly due to larger volume. The value of imports of vegetables, fruits, and nuts was also much larger, mainly due to higher prices. The volume of imports of cocoa products was down but prices were much higher so the value remained about the same as a year earlier.

For the year, imports of agricultural commodities likely will strongly exceed the $4.5 billion imported in calendar 1967. Much of the increase is due to higher prices but some increase in volume is contributing. And, the possibility of a waterfront work stoppage on December 20 may move up shipments of incoming commodities.

Value of agricultural imports in January-August

Item	1967	1968	Percent change
	Million dollars	Million dollars	Percent
Food commodities:			
Animal products	516	556	8
Crop products	1,833	2,081	14
Total food	2,349	2,637	12
Nonfoods:			
Animal products	222	272	23
Crop products	390	420	8
Total nonfood	612	692	13
All commodities	2,961	3,329	12

CONSUMPTION AND DEMAND

Per Capita Consumption Steady in 1968

Increased output of food products in second-half 1968--mainly livestock products--is boosting our estimate of per capita food consumption for the year to about the level of 1967 (figure 10 and table 5). Consumption of animal products likely will exceed the 1967 level and reach a new record high. But, reduced supplies and higher prices of fruits and fresh vegetables early this year are resulting in a cutback in consumption of crop products by nearly 1% per capita.

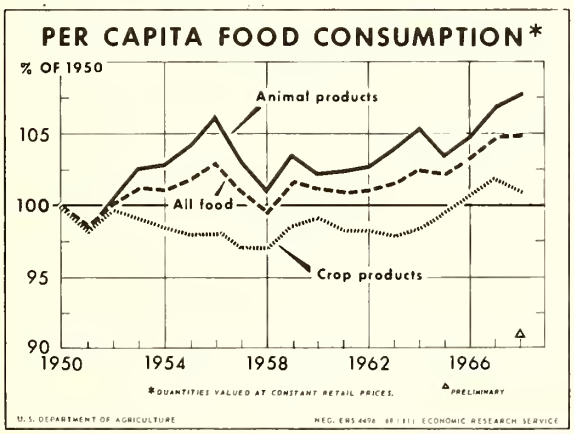

Figure 10

Larger carryover stocks and prospective increases in output this winter and next spring are expected to result in larger per capita consumption of beef, pork, broilers, citrus and noncitrus fruits, and processed vegetables. However, lower output and higher prices of turkey and eggs are expected to hold per capita consumption of these foods below levels of a year earlier through first-half 1969.

Meat Demand Strong

Per capita consumption of meat in 1968 is expected to average some 2% greater than a year earlier. Consumption levels early in the year were only slightly above a year earlier but during the second half are up about 3% (table 6). Increased consumption is taking place both for beef and pork, but consumption rates of veal and lamb are each falling short of 1967 levels (figure 11).

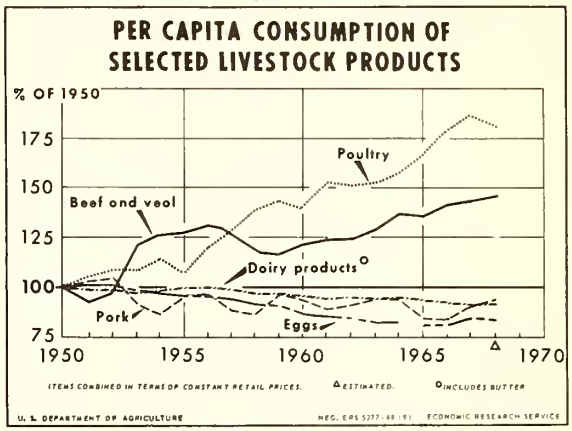

Figure 11

Increased meat consumption this year is occurring despite higher meat prices. This situation suggests a stronger demand for meat products, particularly for beef. 3/ Beef prices are averaging around 4% above a year earlier, a steeper gain--by 1 percentage point--than the average of all other food products. At the same time, beef consumption is around 3% higher this year.

Part of the increase in demand for red meat represents a substitution for poultry meat. Consumption of both chicken and turkey this year is falling below year-earlier record levels. Per capita consumption of poultry, which usually increases annually by 1 pound or more per capita, this year is dropping more

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3/ The increase in average meat prices this year is not as large as the average price increase for all foods or the increase in the total Consumer Price Index. Thus, a part of the consumption gain reflects a lower "real" price effect. But the balance is due to higher incomes and shifts in preferences among substitute products.

Table 5.--Food consumption per capita, 1960-68 1/

(1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils: Animal 2/	Fats and oils: Vegetable	Fats and oils: Total	Fruits 3/: Fresh	Fruits 3/: Processed	Fruits 3/: Total
1960	102	102	98	94	98	92	106	99	97	102	99
1961	101	112	102	92	97	94	103	99	93	99	96
1962	102	110	101	92	97	93	107	100	89	103	95
1963	105	112	102	89	97	89	112	101	80	94	87
1964	108	114	99	89	97	87	119	103	85	91	88
1965	104	122	103	88	96	83	121	102	87	96	92
1966	106	131	100	88	95	75	132	104	87	97	92
1967	110	136	100	91	93	75	132	104	86	107	96
1968 6/	112	132	101	89	94	76	131	104	84	102	93

	Vegetables 4/: Fresh	Vegetables 4/: Processed	Vegetables 4/: Total	Potatoes and sweetpotatoes: Fresh	Potatoes and sweetpotatoes: Processed	Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food: Animal products	All food: Crops 5/	All food: Total
1960	100	103	101	94	131	100	102	101	99.6	101.5	100.5
1961	98	104	99	92	137	99	102	102	99.7	100.7	100.1
1962	95	109	99	88	150	98	103	103	100.1	100.8	100.4
1963	94	109	99	90	160	97	103	106	101.3	100.2	100.8
1964	93	111	98	82	178	98	103	103	102.8	100.7	101.8
1965	93	116	99	77	202	98	103	100	103.9	102.3	101.4
1966	91	118	99	77	229	96	104	100	102.1	102.9	102.4
1967	92	122	101	74	230	97	104	100	104.3	104.2	104.1
1968 6/	91	124	100	73	232	95	105	100	105.0	103.4	104.2

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years, are given in table 2, National Food Situation, NFS-124 (May 1968), p. 2, and in table 1, Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, June 1968.

2/ Includes butter.

3/ Excludes melons and baby food.

4/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes.

5/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

6/ Preliminary.

Table 6 .--Livestock products: Per capita civilian consumption indexes, quarterly, 1966-68 1/

(1957-59=100)

Year and quarter		Meat	Poultry	Eggs	Dairy products: Excluding butter	Dairy products: Including butter	Fats, including butter	Total livestock products 2/
1966	I	101.9	103.2	88.4	98.8	97.0	80.1	98.9
	II	104.2	120.0	85.8	98.7	96.0	71.7	100.6
	III	106.9	139.4	86.7	97.5	94.1	70.1	103.0
	IV	110.3	159.7	91.5	94.3	92.4	77.0	105.9
1967	I	110.7	110.7	91.1	95.0	93.0	77.8	102.4
	II	108.6	128.3	88.4	96.8	93.9	70.3	102.9
	III	110.2	143.2	90.7	96.4	93.5	74.4	105.5
	IV	111.0	164.0	94.7	93.8	92.0	78.4	106.7
1968 3/	I	111.6	111.9	93.1	95.0	93.1	79.7	103.2
	II	110.7	122.5	88.4	97.3	94.8	73.6	103.7
	III	113.6	138.0	87.4	96.9	94.0	72.0	105.9
	IV	113.9	157.2	89.2	94.7	92.4	77.0	107.3

1/ Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combine in terms of average 1957-59 retail prices. Data since 1955 are in Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968. 2/ Excludes fish and honey. 3/ Preliminary.

Table 7 .--Selected crop foods: Civilian per capita consumption, quarterly, 1966-68 1/

Year and quarter		Cane and beet sugar 2/	Corn sweeteners 3/: Corn sirup	Corn sweeteners 3/: Dextrose	Corn sweeteners 3/: Total	Coffee 4/	Cocoa and chocolate 4/
		Pounds					
1966	I	22.2	3.0	1.1	4.1	4.0	1.05
	II	24.0	2.8	1.3	4.1	3.4	.99
	III	29.3	3.8	1.4	5.2	3.4	.98
	IV	21.9	2.9	1.2	4.1	3.7	1.16
1967	I	21.0	2.9	1.2	4.1	3.8	1.09
	II	24.3	3.0	1.3	4.3	3.5	1.00
	III	28.5	3.7	1.3	5.0	3.5	.97
	IV	23.3	3.0	1.2	4.2	3.7	1.14
1968 5/	I	21.3	3.0	1.2	4.2	3.9	1.10
	II	24.7	3.1	1.3	4.4	3.6	1.05
	III	28.7	3.7	1.3	5.0	3.3	.99
	IV	23.3	3.0	1.2	4.2	3.9	1.11

1/ Estimated consumption reflects product disappearance through marketing channels. 2/ Refined sugar; based on entire population, including military. 3/ Dry basis. 4/ Bean equivalent. 5/ Preliminary. Data beginning with 1955 are in Food Consumption, Prices and Expenditures, Ag. Econ. Report No. 138, July 1968.

Table 8 .--Civilian per capita food consumption, retail-weight equivalent, 1947-68 1/

Year	Meat, poultry, fish				Eggs	Dairy products		Fats and oils				Fruits		
	Meat 2/	Poultry	Fish 3/	Total		Including butter	Excluding butter	Excluding butter	Including butter 4/ Animal	Including butter 4/ Vegetable	Including butter 4/ Total	Fresh	Processed	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1947	147.4	22.1	12.3	181.3	46.8	424	413	33.9	25.7	19.4	45.1	139.6	40.8	180.4
1948	138.4	21.8	13.1	173.3	47.8	407	397	35.7	24.4	21.3	45.7	127.9	42.9	170.8
1949	137.6	23.3	12.9	173.8	47.4	406	396	35.2	24.1	21.6	45.7	120.9	42.1	163.0
1950	137.8	25.1	13.8	176.7	48.5	406	395	38.4	25.1	24.0	49.1	106.9	43.4	150.3
1951	132.4	26.5	13.2	172.1	49.3	408	398	35.6	24.1	21.1	45.2	115.5	42.6	158.1
1952	139.4	27.2	13.3	179.9	49.2	410	401	38.7	23.0	24.3	47.3	109.9	45.4	155.3
1953	146.4	27.1	13.6	187.1	47.8	406	398	38.7	22.6	24.6	47.2	104.8	45.2	150.0
1954	144.9	28.5	13.5	186.9	47.4	403	394	39.9	21.5	27.3	48.8	101.0	45.7	146.7
1955	152.2	26.7	12.9	191.8	46.9	407	398	40.2	22.7	26.5	49.2	95.1	48.8	143.9
1956	154.9	30.0	12.9	197.8	46.6	409	400	39.8	23.1	25.4	48.5	95.1	49.2	144.3
1957	146.7	31.8	12.8	191.3	45.9	403	395	39.3	21.8	25.8	47.6	92.9	50.8	143.7
1958	139.6	34.4	13.3	187.3	44.9	398	390	40.4	21.7	27.0	48.7	90.2	50.0	140.2
1959	146.6	35.6	13.7	195.9	44.7	393	385	41.7	21.5	28.1	49.6	92.1	48.4	140.5
1960	146.7	34.5	13.2	194.4	42.5	384	377	41.0	20.1	28.4	48.5	89.5	50.2	139.7
1961	145.4	37.8	13.7	196.9	41.6	377	370	41.0	20.8	27.6	48.4	85.7	49.0	134.7
1962	147.1	37.3	13.6	198.0	41.4	376	369	41.6	20.1	28.8	48.9	80.9	49.6	130.5
1963	151.7	37.9	13.7	203.3	40.3	375	368	42.6	19.0	30.5	49.5	72.1	48.2	120.3
1964	155.6	38.7	13.5	207.8	40.4	374	367	43.9	18.5	32.2	50.7	77.0	46.4	123.4
1965	148.0	41.2	13.9	203.1	39.8	373	367	44.3	18.5	32.2	50.7	79.7	48.0	127.7
1966	151.0	44.2	13.6	208.8	39.8	372	366	46.7	17.0	35.4	52.4	79.5	49.4	128.9
1967	157.7	46.1	13.6	217.4	41.1	364	359	46.8	17.3	35.0	52.3	79.3	51.9	131.2
1968 5/	161.0	44.8	13.7	219.5	40.4	362	356	45.7	17.1	35.2	52.3	76.3	51.1	127.4

Year	Vegetables						Potatoes and sweetpotatoes 6/	Beans, peas, nuts, soya products 6/ 7/	Flour and cereal products 8/	Sugars and other sweeteners 9/	Coffee, tea, cocoa	All food 10/		
	Melons 6/	Fresh 6/	Processed Canned	Processed Frozen	Processed Total	Total 6/						Animal products	Crop products	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1947	35.1	190.0	39.8	2.5	42.3	232.3	135.5	16.4	173	113.7	18.6	667	932	1,599
1948	34.5	186.8	37.4	2.9	40.3	227.1	113.8	17.4	170	106.4	19.1	642	889	1,531
1949	33.2	174.9	38.3	2.9	41.2	216.1	118.8	16.7	169	108.5	19.5	641	875	1,516
1950	30.4	170.3	41.2	3.2	44.4	214.7	114.2	19.3	167	113.1	17.6	645	860	1,505
1951	31.6	165.1	41.5	4.0	45.5	210.6	117.2	17.2	165	106.3	17.3	644	854	1,498
1952	30.2	161.8	40.8	4.9	45.7	207.5	105.9	17.2	162	108.4	17.3	653	838	1,491
1953	32.5	157.7	42.2	5.1	47.3	205.0	112.1	16.2	158	108.1	17.3	656	834	1,490
1954	32.3	155.4	41.1	5.4	46.5	201.9	111.6	16.4	155	106.0	14.7	650	823	1,473
1955	33.0	154.7	42.2	5.9	48.1	202.8	113.7	16.2	152	106.3	15.0	659	820	1,479
1956	30.1	154.4	42.7	6.0	48.7	203.1	107.2	16.9	150	107.6	15.5	668	811	1,479
1957	27.6	152.9	42.9	6.2	49.1	202.0	112.6	16.5	148	104.3	15.3	654	807	1,461
1958	29.5	149.3	43.5	6.6	50.1	199.4	107.4	16.3	150	107.4	14.7	644	804	1,448
1959	26.9	146.7	43.6	6.8	50.4	197.1	110.0	16.9	147	107.7	15.2	647	802	1,449
1960	28.2	150.1	43.4	7.0	50.4	200.5	109.4	16.5	147	108.8	15.1	634	807	1,441
1961	27.4	146.9	43.5	6.9	50.4	197.3	109.9	16.8	147	109.1	15.4	629	799	1,428
1962	24.9	143.6	45.1	7.4	52.5	196.1	107.0	16.9	146	109.9	15.4	629	789	1,418
1963	26.3	143.6	46.0	7.1	53.1	196.7	110.0	16.9	143	110.4	15.6	631	784	1,415
1964	24.8	141.0	45.7	7.6	53.3	194.3	106.5	17.1	144	111.5	15.4	634	783	1,417
1965	25.4	140.9	46.8	8.0	54.8	195.7	104.1	16.6	144	111.4	15.1	628	786	1,414
1966	23.8	138.3	47.4	8.8	56.2	194.5	107.9	15.5	141	112.7	15.1	632	789	1,421
1967	23.5	139.5	48.9	9.0	57.9	197.4	105.6	16.5	142	112.5	15.1	635	793	1,428
1968 5/	23.2	137.9	49.2	9.4	58.6	196.5	105.4	16.4	140	113.6	15.1	633	787	1,420

1/ Quantity data used in computing the per capita food consumption index, table 5 . Final consumer products that are derived from a combination of primary food groups, such as bakery products, are measured and reported in the form of their primary ingredients, such as flour, shortening, and eggs. Data for individual items comprising the groups are given in Food Consumption, Prices, Expenditures, Statistical Bulletin No. 138, tables 8-31. 2/ Includes game and edible offal. 3/ Includes 2.0 pounds per capita of game fish through 1951, increasing 0.1 pound annually to 3.0 pounds in 1961 and thereafter. 4/ Includes product weight of butter and margarine; other items in terms of fat content. 5/ Preliminary. 6/ Data for melons, fresh vegetables, potatoes, sweetpotatoes, and dry beans and peas include consumption of home garden produce. 7/ Since 1958 approximations for soya products are continued at 1.3 pounds. 8/ Corn sugar and sirups are with sugar and other sweeteners. 9/ Excludes sugar used in production of canned and frozen fruit, canned fruit juices, canned vegetables, and unskimmed sweetened condensed milk. 10/ Includes spices and herbs, soup, and baby food.

Table 9.—Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, average 1957-59, annual 1964-68 1/

Commodity	Average 1957-59	1964	1965	1966	1967	1968 Preliminary	1968 as percentage of 1967
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent
Meats (carcass weight)	156.6	174.5	166.7	170.5	177.5	181.5	102
Beef	82.1	99.8	99.3	104.0	105.9	108.9	103
Veal	7.1	5.2	5.2	4.5	3.8	3.5	92
Lamb and mutton	4.4	4.2	3.7	4.0	3.9	3.7	95
Pork (excluding lard)	63.0	65.3	58.5	58.0	63.9	65.4	102
Fish (edible weight)	10.5	10.5	10.9	10.6	10.6	10.7	101
Poultry products							
Eggs (farm basis) - Number	356	318	314	313	324	318	98
Chicken (ready-to-cook)	27.5	31.0	33.3	36.0	37.1	36.4	98
Turkey (ready-to-cook)	6.0	7.3	7.5	7.8	8.6	8.0	93
Dairy products							
Cheese	7.9	9.4	9.5	9.7	10.0	10.4	104
Condensed and evaporated milk	14.8	11.3	10.6	9.7	9.0	8.2	91
Fluid milk and cream (milk equivalent)	337	304	301	296	286	279	98
Ice cream (product weight)	18.4	18.2	18.5	18.1	17.8	18.5	104
Fats and Oils - Total, fat content	45.3	47.5	47.6	49.3	49.2	49.4	100
Butter (actual weight)	8.2	6.8	6.4	5.7	5.5	5.6	102
Margarine (actual weight)	8.9	9.7	9.9	10.5	10.5	10.6	101
Lard	9.3	6.3	6.4	5.5	5.4	5.6	104
Shortening	11.4	13.7	14.0	15.9	15.9	16.0	101
Other edible fats and oils	10.8	14.2	14.0	14.8	15.2	14.8	97
Fruits							
Fresh	95.5	78.6	80.9	81.2	80.5	77.3	96
Citrus	34.0	26.1	29.0	29.0	31.5	26.1	83
Apples (commercial)	21.0	17.8	16.3	15.9	16.2	15.0	93
Other (excluding melons)	40.5	34.7	35.6	36.3	32.8	36.2	110
Processed:							
Canned fruit	22.4	22.9	23.4	23.0	22.5	23.1	103
Canned juice	13.5	11.4	10.8	11.6	11.7	11.5	98
Frozen (including juices)	8.6	7.4	8.5	8.1	10.1	9.0	89
Dried	3.3	2.9	3.0	3.0	2.8	2.9	104
Vegetables							
Fresh 2/	104.1	98.5	98.4	95.8	96.7	95.1	98
Canned, excluding potatoes and sweetpotatoes	43.3	45.7	46.8	47.4	48.9	49.2	101
Frozen, excluding potatoes	6.6	7.6	8.1	8.8	9.0	9.5	106
Potatoes, fresh equivalent	106.9	110.8	107.6	113.3	111.5	112.0	100
Sweetpotatoes, fresh equivalent	8.3	5.5	6.2	6.3	5.8	5.5	95
Grains							
Cornmeal and flour	7.4	5.8	5.7	5.6	5.5	5.5	100
Corn sirup	9.4	13.6	13.6	14.0	14.0	14.2	101
Corn sugar	3.6	4.4	4.5	4.5	4.6	4.6	100
Wheat flour 3/	120	114	113	111	112	109	97
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled	5.4	7.0	7.6	7.3	7.5	7.8	104
Other							
Coffee (green beans)	15.7	15.3	14.8	14.5	14.7	14.7	100
Tea	.58	.67	.68	.69	.67	.69	103
Cocoa beans	3.5	3.9	4.0	4.2	4.2	4.2	100
Peanuts (shelled)	4.6	5.3	5.6	5.4	5.7	5.7	100
Dry edible beans	7.7	7.6	6.6	6.3	7.0	6.7	96
Melons	25.1	23.0	23.6	21.9	21.5	21.1	98
Sugar (refined)	96.1	96.5	96.4	97.4	97.1	98.0	101
	Million	Million	Million	Million	Million	Million	Percent
Civilian population 4/	171.5	189.4	191.9	193.8	195.7	197.6	101

1/ Quantity in pounds except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice yesr begins in previous August. 2/ Commercial production for sale as fresh produce. 3/ Includes white, whole wheat, and semolina flour. 4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

than 1 pound. This shift goes part way in explaining the 3-to 4-pound increase in red meat consumption (tables 8 and 9).

Consumption of Eggs and Dairy Products Down

The extremely low prices for eggs that prevailed early in 1968 resulted in a cutback in egg production and a subsequent drop in consumption in the second-half year. On the average, consumption is dropping around 2% following an abrupt rise in consumption during 1967. Even so, per capita consumption of eggs this year is averaging higher than in 1965 and 1966. A further drop in consumption is likely in first-half 1969.

Consumption of several manufactured dairy products is holding stable or increasing--for example, ice cream and cheese--but consumption of fluid whole milk, cream, and evaporated milk again is dropping significantly, Consumption of low-fat fluid and skim milk is rising sharply. Milk production is off slightly this year, but retail dairy prices again are higher and consumers are not purchasing all that is available.

The Department of Agriculture this year is removing about 5% of the milk fat and 6% of the milk solids-not-fat from the market through its price support program. Nevertheless, end-of-year stocks of dairy products this year likely will be down slightly from a year earlier since USDA donations of butter, cheese, and nonfat dry milk to needy persons have been accelerated.

Milk production may stabilize in 1969. However, basic trends in per capita consumption are expected to continue.

Fats and Oils Stable

Per capita consumption of fats and oils this year likely will about match the 1967 level. Consumption of butter is being maintained by the increase in donations. There has been some increase in consumption of lard and margarine but a decline in consumption of miscellaneous edible fats and oils. Prices for fats and oils products at retail are reflecting lower wholesale prices of important products such as soybean oil. But the consumption response to these lower prices appears to be small, and little change in consumption is expected in 1969.

Fruit Situation Turning

Per capita consumption of both fresh and processed fruits dropped this year. Production of citrus fruits from the 1968 crop--which was mostly harvested last winter--was down considerably. Supplies of noncitrus canned fruits also have been in short supply much of the year. However, a major change in the fruit supply situation is underway (figure 12).

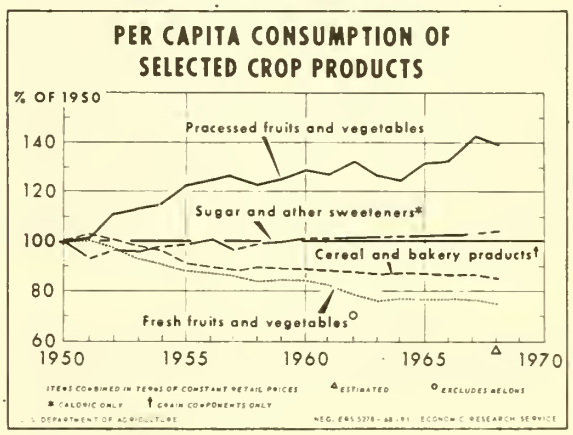

Figure 12

Output of peaches and most other noncitrus crops (except apples) was much larger this summer and fall, and a sharply expanded citrus crop is in prospect for this winter. Consequently, fruit supplies should be much more plentiful this winter and next spring than a year earlier and prices likely will average lower. Supplies of canned peaches, fruit cocktail, and pears each are expected to be up sharply, although supplies of apples likely will be smaller.

Vegetables in Large Supply

Consumption of fresh vegetables this year is dropping slightly below year-earlier levels because of reduced supplies

and high prices early in the year and again this fall. Consumption of processed vegetables, in larger supply, is taking up most of the slack. Supplies of canned and frozen vegetables this fall and winter will be record large and much above last season.

Potato production is expected to be down moderately this fall but output of dry edible beans is expected to be larger. Consumption of processed potatoes is rising again this year and making up for the continuing decline in consumption of fresh potatoes.

Wheat Use Down, But Sugar Steady

As usual production of food grains--both wheat and rice--much exceeds domestic use for food. A little more rice is being consumed as food, but less wheat flour is going into consumption. Per capita use of wheat flour in all food products appears to be continuing its long-term downtrend even though a few years ago consumption appeared to be reaching a plateau. Some further decline is likely in 1969.

Through October, refined sugar deliveries were running about 5% ahead of the same period a year ago. Some of the reasons for this increase include a larger fruit crop for processing, a desire by commercial food and beverage firms to increase sugar stocks, and a relatively hot summer that stimulated use of sugar in soft drinks, iced tea, frozen desserts, and similar products. But, per capita sugar consumption this year appears likely to increase only around 1 pound over last year's level of 97.1 pounds (table 9).

Coffee Nearly Stable

Imports of green coffee beans so far this year much exceeded imports during the same period a year earlier, but imports of soluble coffee--a small part of the total--are down. Nevertheless, coffee roastings are about on a par with last year's rates. Domestic roasters are raising stock levels, partly in anticipation of waterfront work stoppages.

Per capita coffee consumption this year is running at nearly the same level as during 1967, and little change is foreseen for 1969. One new product--freeze-dried coffee--appears to be having an impact on the market for other soluble coffee, but its effect on the total coffee market remains small. In recent years, soluble coffee has maintained a stable one-fifth of the total market.

COCOA AND CHOCOLATE PRODUCTS

Cocoa Production Prospects Drop

World cocoa bean production prospects for 1968/69 (October 1-September 30) indicate a 3% reduction from the previous year, because of adverse weather in most major procuding countries. As recent as June, prospective production was expected to exceed 1967/68 levels. During the last 3 calendar years, world cocoa use exceeded production and manufacturers have drawn upon stocks to meet consumer needs. Cocoa stocks in most consuming countries have already been reduced to low levels.

Price Prospects Firm

A smaller than anticipated cocoa crop coupled with declining stocks and firm consumer demand has led to higher cocoa prices. Cocoa bean prices (New York Spot "Accra") increased from 17 cents per pound in 1965 to 24 cents in 1966 and 29 cents in 1967. In January-October, these prices averaged 32 cents per pound. But increasing awareness of an apparently smaller 1968/69 crop caused prices to jump to 46 cents in the first half of November. If the most recent forecast of the new crop is realized, cocoa bean prices likely will continue high for the next few months.

The rise in cocoa bean prices has been reflected at retail, too. Chocolate bar prices in 1967 were up 11% over 1966. In May-September 1968, they averaged 12% above a year earlier, and for the year may average 8% over 1967.

Cocoa Bean Imports Down

Short supplies and higher prices have dropped net imports of cocoa beans in the first 9 months 16% below the same period last year. For all of 1968, imports will likely total near 516 million pounds, down 100 million pounds from 1967. If this forecast is realized, net imports will be down about 130 million pounds from the anticipated 1968 grind, resulting in a further drawdown of stocks.

However, imports of semiprocessed and finished products--that make up about a fourth of total imports--appear likely to total 200 to 210 million pounds on a cocoa bean equivalent basis, up moderately from last year. In total, imports of beans and cocoa products likely will be down by a tenth.

Cocoa Bean Grind to Fall?

A noticeable slackening of the rate of increase in the U.S. cocoa bean grind occurred in 1967 when it totaled 648 million pounds, only 2 million higher than in 1966. The 1968 grind likely will total about 646 million pounds, down slightly from last year. In contrast, the 1959-66 trend averaged an increase of 28 million pounds annually. If current forecasts of smaller world cocoa bean production in 1968/69 are realized and prices continue near current high levels, the 1969 U.S. grind may decline further.

With higher cocoa bean prices likely to continue for some time, cocoa and chocolate manufacturers have several alternatives. They may (1) reduce the bar or product weight, (2) increase prices, and (3) increase the use of extenders or substitutes. The latter products contain vegetable fats or oils which extend and substitute for the cocoa butter embodied in chocolate.

Consumption Maintained

Consumer demand for cocoa and chocolate products remains firm. Per capita consumption of confectionery increased from 16.8 pounds in 1959 to 19.6 pounds in 1967, a 17% increase. During this period, manufacturers' average prices increased 9%. Confectionery consumption and the use of cocoa and chocolate in all products in 1968 and 1969 appears likely to approximate 1967 levels despite the rise in prices.

Nickel Bars To Go?

The confectionery market has long continued its 5-cent candy bar, even though it has been reduced in size. A cup of coffee or tea, a soft drink, a pack of gum, a doughnut, a cigar, a newspaper, a telephone call, and a subway ride were all once items that could be purchased for a nickel. Now, only the candy bar and gum remain.

A leading candy company recently dropped its nickel bars. Rising cocoa prices explain only part of the change. Other costs of manufacturing and delivery have increased also. While the nickel candy bar is likely to be with us for some time, its share of confectionery consumption will undoubtedly continue to decline.

FOOD DONATIONS

USDA domestic donations of food commodities to schools, institutions and needy persons in January-June 1968 were up 1% (on a poundage basis) from those in the same period of 1967 (table 10). This rate of donations was much greater than during calendar year 1966, but below the peak levels of 2.0 to 2.2 billion pounds in 1962-64--before the alternative Food Stamp Program developed to its present level.

During second-half 1968, the level of donations, particularly to low-income families, will show a marked increase. This increase will reflect the expanded variety of foods--including canned vegetables and fruit juices--offered to needy families.

Last June, 3.2 million persons in needy families received food donations, and another 2.4 million persons benefited from USDA's Food Stamp Program. In addition, donated commodities go to about 21 million school children and 1 million persons living in institutions.

To get a perspective on the size of food donations in the United States, the 1.8 billion pounds of food donated in 1967 compares with a rough approximation of 280 billion pounds of total food consumed (retail-weight equivalent) by U.S. civilians. On this basis, direct food donations accounted for less than 1% of the total.

In first-half 1968, donations to needy persons in family units increased 9% over a year earlier and donations to those in institutions were up 5%. However, schools received about 7% less donated food this year despite a 5% gain in the supplemental foods--those specially purchased to meet the needs of the School Lunch Program. Schools still got around half of all food donated, institutions received nearly a tenth, and the remainder went to needy families.

While the change in pounds donated was small, donations of many high valued foods increased in first-half 1968. Total meats donated were up 7% due to a 25 million pound increase for poultry much more than making up for a decline in red meat.

Dairy donations in first-half 1968 were 29% greater than a year earlier as a result of about a 50% increase in cheese and butter distribution. But donations of these products remained below those for several years prior to 1965. Margarine donations were virtually ceased in first-half 1968, as the availability of butter for donations increased.

Canned vegetable donations, always small early in the year, resumed the level of 2 years ago and were half again larger than in first-half 1967. Distribution of dry beans and peas dropped. Although donations of canned sweetpotatoes dropped to $3\frac{1}{2}$ million pounds from $4\frac{1}{2}$ million

Table 10.--USDA donations of commodities to schools, institutions, and needy persons, calendar years, 1966-68 1/

Item	1966	1967	January-June 1967	January-June 1968
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat				
Beef	53.1	100.0	58.0	31.1
Pork	---	---	---	7.2
Lamb	---	---	---	---
Mixtures	51.0	83.0	30.1	33.0
Total	104.1	183.0	88.1	71.3
Poultry				
Turkey	20.2	61.2	.5	12.6
Poultry, other	45.1	51.0	28.7	41.9
Total	65.3	112.2	29.2	54.5
Eggs 2/	---	2.1	---	.3
Dairy products				
Butter	50.9	108.4	49.0	71.6
Cheese	4.6	81.2	34.4	52.4
Nonfat dry milk	127.1	108.4	55.2	54.3
Total	182.6	298.0	138.6	178.3
Fats and oils				
Lard and shortening	90.0	78.9	41.3	37.3
Margarine	44.5	24.4	15.1	1.7
Fruits				
Fresh	---	18.4	18.4	---
Canned 3/	88.4	78.7	38.7	38.0
Dried	38.7	35.4	16.9	17.7
Frozen 3/	4.7	109.1	43.5	24.2
Total	131.8	241.6	117.5	79.9
Vegetables				
Fresh	.5	---	---	---
Canned	48.9	48.9	7.3	11.3
Dried beans and peas	37.8	83.5	44.5	37.7
Total	87.2	132.4	51.8	49.0
Potatoes and sweetpotatoes	24.2	14.7	4.7	19.5
Cereal products				
Bulgar	4.9	5.1	2.2	2.8
Cornmeal and grits	141.6	113.4	57.9	57.7
Oats (rolled)	.6	28.7	15.0	13.4
Rice	87.6	70.1	35.9	36.2
Wheat flour	445.2	399.0	199.3	200.9
Wheat (rolled)	43.6	21.6	11.7	11.0
Total	723.5	637.9	322.0	322.0
Other 4/	42.9	37.1	14.6	18.2
Total all commodities	1,496.1	1,762.3	822.9	832.0

1/ Includes commodities distributed under the National School Lunch Program; excludes distribution to U.S. Territories. Data are in terms of product weight so for some items are not comparable over time. Similar data for years beginning 1962 are published in National Food Situation, NFS-122, November 1967, and for 1955-64 in NFS-114, November 1965.

2/ Shell eggs and dried.

3/ Including juice.

4/ Includes olive oil, peanut butter, and minor amounts of other items.

a year earlier, dehydrated sweetpotato donations were 4 times greater. In addition to the 1 million pounds of fresh white potatoes donated, dehydrated potatoes were added to the list of donated foods this year in the amount of 14.4 million pounds (equivalent to over 100 million pounds of fresh potatoes).

Canned fruit donations in January-June were 12 million pounds less than a year earlier, but distribution of canned grape juice was resumed and almost made up for the drop in canned fruit. Frozen orange juice donations were large although down from the 43.5 million pounds distributed in the same period last year.

The increase in the needy person program through June 1968 was accounted for by donation of items which were not available in first-half 1967: 15 million pounds of butter, 22 million of cheese and 2 million of canned grape juice. Institutions received much more butter, cheese, and dehydrated potatoes but less of most other foods, especially dry beans, orange juice, raisins and rice.

GROCERY STORE SALES IN 1967 4/

Food sales in grocery stores in 1967 increased only a half of 1% over 1966 to total $48.5 billion, according to the annual survey by Conover-Mast Publications, reported in Food Topics. Although the rate of gain in nonfood sales slowed, sales of these products were still up 7% over 1966. Since these items accounted for more than a fourth of total store sales, overall sales rose 2%, to $66.1 billion.

The small increase in food sales in 1967 implied nearly a 1% increase in volume sold because of a 0.3% decline in prices for food used at home, as reported by the Bureau of Labor Statistics. Livestock products--which comprised nearly half of the total food sales--dropped 1% in value from a year earlier. Substantially lower prices for eggs and poultry resulted in lower sales for those items in 1967 than in 1966, despite larger quantities sold. Lower meat prices accounted for slightly reduced meat sales. Prices for fish and dairy products increased more than sales, implying lower quantities sold. Sales of meat, poultry, and fish combined declined 1%, and eggs were down 6%.

Sales of items other than major livestock commodities increased 1½%. Sales of fresh fruits and vegetables, aided by a slight price rise, increased 1½%, while sales of the processed items rose nearly 1% despite a small price decline. Cereal and bakery product sales rose 1½%, a little less than the price increase. Sales of packaged beverages (coffee, tea, and cocoa) were reduced nearly 3% in 1967, more than offsetting a 2½% increase for soft drinks and resulting in a drop for all beverages of 1%. As usual, frozen precooked foods and unspecified new items made significant sales gains.

The distribution of the food dollar by commodity groups showed less year-to-year variation in 1967 than in most recent years (table 11). (Data for 1963-65 were published in the November 1967 issue of the National Food Situation, p. 37).

Compared with 1966, half a cent less was spent in 1967 for meat, poultry, and fish. This group continued to account for over a third of the total sales dollar. Spending on dairy products took a little less than a tenth of the total dollar, and cereal and bakery products about an eighth. Fresh fruits and vegetables and cereal and bakery products each claimed slightly more of the average dollar spent

4/ By Helen Eklund, Food Consumption and Utilization Section, ERS.

Table 11.--Distribution of grocery store sales, by commodity groups, 1966-67

Commodity group	Percentage of total store sales		Percentage of food sales	
	1966	1967	1966	1967
	Pct.	Pct.	Pct.	Pct.
Food:				
Meat, poultry, and fish	26.5	25.7	35.5	35.0
Meat	20.9	20.4	28.1	27.8
Poultry	4.0	3.7	5.3	5.0
Fish	1.6	1.6	2.1	2.2
Eggs	1.0	1.0	1.4	1.3
Dairy products	6.9	6.8	9.2	9.3
Fruits and vegetables 1/	17.9	17.7	24.0	24.1
Fresh produce	10.1	10.0	13.5	13.7
Processed products	7.8	7.7	10.5	10.4
Cereal and bakery products	9.1	9.1	12.2	12.4
Nonalcoholic beverages	5.1	5.0	6.8	6.8
Other foods 2/	8.1	8.1	10.9	11.1
Total food	74.6	73.4	100.0	100.0
Nonfood:				
Alcoholic beverages	4.9	4.9	---	---
Pet food	.9	1.1	---	---
Tobacco	3.8	3.9	---	---
Health and beauty aids	3.1	3.3	---	---
Soaps and laundry supplies	2.5	2.6	---	---
Paper products and foil	1.6	1.6	---	---
Housewares and household supplies 3/	2.1	2.1	---	---
Magazines, books, records	.3	.3	---	---
Other nonfoods	6.2	6.8	---	---
Total nonfoods	25.4	26.6	---	---
Total all items	100.0	100.0	---	---
Value, all items (billion dollar)	$64.7	$66.1	---	---

1/ Including potatoes, sweetpotatoes, and melons. 2/ Includes frozen prepared foods; baking needs; candy and chewing gum; desserts; food fats and dressings; jams, jellies, and preserves; sugars and other sweeteners; and other foods. 3/ Includes cooking, kitchen aids, and serving utensils, glassware, and such items as pesticides, waxes, mops, brooms, lightbulbs and deodorizers.

Derived from annual survey of grocery stores by Food Topics, (C-M Food Industry Publications, Inc., New York). Data for 1963-65 are published in National Food Situation, NFS-122, November 1967.

for food in 1967 than a year earlier. Although "frozen prepared food" sales rose 9% for the year, their sales in 1967 were still small relative to the total food bill, amounting to only 2.0 cents of the food dollar.

Nonfood products continued to account for an increasing proportion of total grocery store sales in 1967, as they have in each of the last 4 years studied. Tobacco products is the only major category which appears to have lost ground over this period.

Such items as alcoholic beverages, paper products and foil, soap and laundry supplies, and magazines and books have about held their positions in relation to total store sales. But pet foods, housewares and household supplies, health and beauty products, and miscellaneous things such as clothing, dry goods, furniture, fertilizer, plants and seeds have consistently improved their shares. These items have accounted for about half of the increase in nonfood sales in grocery stores in recent years (table 11).

NUTRITIONAL REVIEW 5/

Outlook for 1969

Levels of nutrients per capita in the national food supply for 1969 probably will be similar to those for 1968. The level of ascorbic acid will be higher because of an expected increase in supplies of citrus fruits. More meat supplies will mean more iron and thiamine available. On the other hand, the level of calcium may be slightly lower because of reduced consumption of some dairy products.

Situation in 1968

The nutrient levels provided by the 1968 food supply differ little from those for 1967 (table 12). Half of the nutrients show no change and half show slight decreases. The 2% drop in calcium and smaller decreases in phosphorus and riboflavin are the result of lower consumption of fluid whole milk. The slight declines in carbohydrate and thiamine reflect decreased use of wheat flour, and the drop in ascorbic acid results from decreased use of citrus fruit.

Effects of changes in food consumption on nutrient levels are shown by comparison of data for 1968 with those for earlier selected years. The upward trend in calories, protein, fat, and iron since 1957-59 reflects a fairly steady rise in meat consumption. The steady increase in niacin is due to greater use of poultry.

The vitamin A value remained fairly stable over the past 4 years, but at a level 4% to 5% lower than that for 1957-59. A decrease in the consumption of dark-green and deep-yellow vegetables, particularly sweetpotatoes, is mainly responsible for less vitamin A value. The quantity of ascorbic acid was down in 1965 and 1966 because of smaller supplies of citrus fruit. In 1967 and 1968 when more citrus fruit was available, however, this nutrient reached levels higher than in 1957-59.

Trends for Calcium and Riboflavin

The level of calcium is higher now than at the beginning of the century, but is down since 1947-49 (fig. 13). Lower consumption of dairy products accounts for most of the decline. Decreased use of vegetables and fruits, and grain products also contributed to the decline but to a lesser extent. Nevertheless, the gain since 1909-13 in use of dairy products other than butter has been large enough to increase its contribution of calcium to the total supply from two-thirds to three-fourths (table 13).

5/ By Berta Friend, Consumer and Food Economics Research Division, ARS.

Table 12.--Nutrients available for civilian consumption, per capita per day, selected periods 1/

Nutrient	Unit	Average 1957-59	1965	1966	1967	1968 preliminary	1968 as a percentage of 1957-59	1968 as a percentage of 1965	1968 as a percentage of 1967
Food energy	Cal.	3,140	3,140	3,170	3,210	3,200	102	102	100
Protein	Gm.	95	96	97	98	98	103	102	100
Fat	Gm.	143	145	147	150	150	105	103	100
Carbohydrate	Gm.	374	371	371	373	371	99	100	99
Calcium	Gm.	.98	.95	.95	.95	.93	95	98	98
Phosphorus	Gm.	1.51	1.50	1.50	1.52	1.51	100	101	99
Iron	Mg.	16.1	16.4	16.5	16.9	16.9	105	103	100
Vitamin A value	I.U.	8,000	7,700	7,600	7,700	7,700	96	100	100
Thiamine	Mg.	1.84	1.78	1.77	1.83	1.82	99	102	99
Riboflavin	Mg.	2.28	2.24	2.26	2.26	2.24	98	100	99
Niacin	Mg.	20.6	21.4	21.6	22.1	22.1	107	103	100
Ascorbic acid	Mg.	105	101	102	108	107	102	106	99

1/ Data computed by Consumer and Food Economics Research Division, ARS, on the basis of estimates of per capita consumption (retail basis), including estimates of produce of rural and urban home gardens, supplied by the Economic and Statistical Analysis Division, ERS. No deduction has been made in nutrient estimates for loss or waste of food in households or for destruction or loss of nutrients during the preparation of food. Data include quantities of iron, thiamine, riboflavin, and niacin added to flour and cereal products; quantities of vitamin A value added to margarine and milk of all types; quantities of ascorbic acid added to fruit juices and drinks.

Table 13.--Sources of calcium and riboflavin, selected periods

Food group	Calcium			Riboflavin		
	1909-13	1947-49	1968 1/	1909-13	1947-49	1968 1/
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Dairy products, excluding butter	67.8	74.3	76.2	42.0	44.7	43.1
Meat, poultry, and fish, including fat pork cuts	4.1	3.3	3.5	23.5	18.7	24.6
Vegetables and fruits 2/	15.0	13.1	11.8	15.8	12.8	11.4
Grain products	7.4	3.8	3.4	11.3	16.1	14.2
Other foods	5.8	5.5	5.1	7.4	7.8	6.7
Total 3/	100.0	100.0	100.0	100.0	100.0	100.0
Quantity per capita per day (mg.)	816	994	933	1.84	2.28	2.24

1/ Preliminary. 2/ Includes melons, potatoes, sweetpotatoes, and dry beans, peas, and nuts. 3/ Components may not add to total due to rounding.

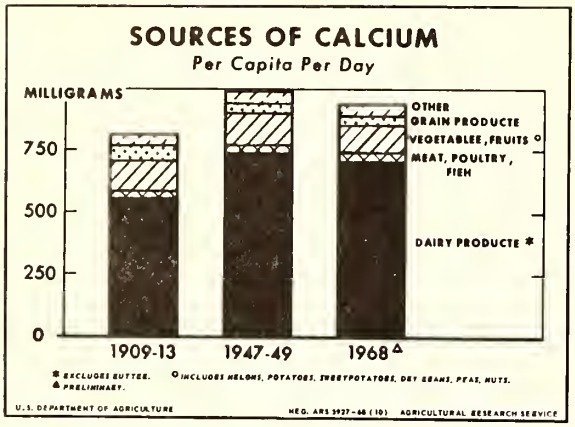

Figure 13

Changes have occurred during this time in the types of dairy products consumed and thus in the sources of calcium (fig. 14 and table 14). Evaporated and condensed milks supplied increasingly larger amounts of calcium up to the late 1940's. Since then amounts of calcium contributed by these products have decreased. Contributions of calcium from cheese, frozen dairy products, and nonfat dry milk have increased steadily, but since the early 1960's use of nonfat dry milk has leveled off. But, fluid milk is providing a smaller share of the total calcium. Calcium from whole fluid milk is down from 1947-49 and is now at a lower level than in 1909-13. More calcium is furnished by low-fat fluid milks today than in the late 1940's, but the level is lower than at the beginning of the century.

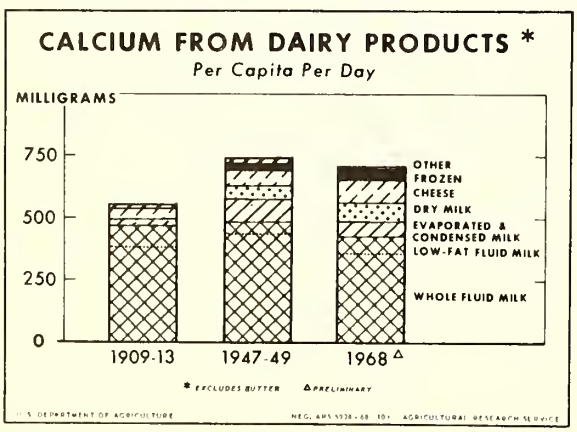

Figure 14

Dairy products are also good contributors of riboflavin and have provided over 40% of the total supply over the years (table 13). Other food groups make sizable contributions to this nutrient, too. Meat, poultry, fish, always good sources of riboflavin, now provide 25% of the total supply, and grain products furnish 14%. Even though consumption of grain products has been halved since the early 1900's, enrichment has kept up the level of riboflavin furnished by grain products.

Shifts in sources of riboflavin within the dairy products group since 1909-13 follow a pattern similar to that for sources of calcium (table 14).

Milk Substitutes

Milk substitutes vary in composition but basically are of two types, "filled milk" and "nondairy" products.

The following descriptions--suggested by the Milk Industry Foundation--are not intended as legal definitions and are not uniformly accepted, but they help to distinguish the two types of products:

> Filled milk--"is a product made by combining fats or oils other than milk fat with other milk solids and the resulting product is in semblance of milk."
>
> "Nondairy" products--"..would be made with a combination of fats or oils other than milk fat combined with other food solids, excluding milk solids."

Milk derived substances, such as salts of casein, are not classified as milk solids by the Food and Drug Administration within the meaning of the Federal Filled Milk Act.

The nutritive values of the "nondairy" products now available tend to be much lower in protein, calcium and phosphorus, but higher in carbohydrate than whole milk. Although differences exist

Table 14 .--Contribution of major food groups to nutrient supplies available for civilian consumption, 1957-59 average and 1968 1/

Food group	Food energy	Protein	Fat	Carbo-hydrate	Calcium	Phos-phorous	Iron	Vitamin A value	Thiamine	Ribo-flavin	Niacin	Ascorbic acid
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1957-59 Average												
Meat (including pork fat cuts), poultry, and fish	18.2	35.7	33.0	0.1	3.2	22.0	27.1	19.9	27.4	21.2	42.3	1.1
Eggs	2.6	6.8	4.0	.1	2.8	6.8	7.1	7.3	2.8	6.5	.1	0
Dairy products, excluding butter	13.5	24.5	16.5	7.7	76.6	38.8	2.3	12.7	10.5	45.3	2.0	5.2
Fats and oils, including butter	16.0	.1	39.4	2/	.4	.2	0	8.7	0	0	0	0
Citrus fruits	.7	.4	.1	1.5	.8	.6	.8	1.1	2.1	.4	.7	22.1
Other fruits	2.6	.8	.3	5.6	1.3	1.3	4.4	6.9	2.2	1.8	2.3	10.9
Potatoes and sweetpotatoes	2.8	2.4	.1	5.3	1.0	3.9	4.3	8.3	6.4	1.9	7.6	20.6
Dark green and deep yellow vegetables	.3	.5	2/	.5	1.6	.7	1.9	20.7	.9	1.2	.7	9.2
Other vegetables, including tomatoes	2.3	3.3	.4	4.2	4.6	4.7	9.1	13.8	6.9	4.4	6.2	30.8
Dry beans and peas, nuts, soya flour	2.9	5.2	3.2	2.3	2.6	5.7	7.4	2/	6.0	1.9	6.3	2/
Flour and cereal products	21.4	19.9	1.5	37.6	3.3	13.1	28.2	.4	34.8	14.6	25.2	0
Sugars and other sweeteners	15.8	2/	0	34.2	.8	.2	4.3	0	2/	.1	2/	2/
Coffee and cocoa 3/	.8	.4	1.4	.7	1.1	2.0	3.0	2/	.1	.8	6.4	0
Total 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968 5/												
Meat (including pork fat cuts), poultry, and fish	20.3	40.5	35.2	0.1	3.5	25.3	30.1	22.9	29.4	24.6	46.0	1.1
Eggs	2.3	5.9	3.4	.1	2.6	6.0	6.1	6.8	2.5	5.9	.1	0
Dairy products, excluding butter	11.8	22.6	13.4	7.2	76.2	36.7	2.2	11.8	9.9	43.1	1.7	4.7
Fats and oils, including butter	17.0	.1	40.7	2/	.4	.2	0	8.6	0	0	0	0
Citrus fruits	.8	.4	.1	1.6	.8	.6	.8	1.2	2.4	.4	.7	23.3
Other fruits	2.4	.7	.2	5.1	1.2	1.2	3.8	6.1	1.9	1.6	1.8	11.7
Potatoes and sweetpotatoes	2.9	2.5	.1	5.6	1.0	4.1	4.5	5.7	6.7	1.9	7.6	20.9
Dark green and deep yellow vegetables	.2	.4	2/	.4	1.4	.6	1.7	20.3	.8	1.0	.6	8.2
Other vegetables, including tomatoes	2.5	3.3	.4	4.7	4.8	4.9	9.5	16.1	7.2	4.6	6.2	30.1
Dry beans and peas, nuts, soya flour	2.9	5.0	3.6	2.1	2.6	5.7	6.4	2/	5.5	1.8	7.0	2/
Flour and cereal products	19.9	18.2	1.4	35.9	3.4	12.5	26.8	.4	33.6	14.2	22.7	0
Sugars and other sweeteners	16.3	2/	0	36.4	1.1	.2	5.5	0	2/	.1	2/	2/
Coffee and cocoa 3/	.8	.4	1.4	.7	1.1	2.0	2.8	2/	.1	.8	5.6	0
Total 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Percentages were derived from nutrient data which include quantities of iron, thiamine, riboflavin, and niacin added to flour and cereal products; quantities of vitamin A value added to margarine and milk of all types; quantities of ascorbic acid added to fruit juices and drinks.
2/ Less than 0.05 percent.
3/ Chocolate liquor equivalent of cocoa beans.
4/ Components may not add to total due to rounding.
5/ Preliminary.

Table 15.--Sources of calcium and riboflavin: Dairy products excluding butter, selected periods

Food item	Calcium			Riboflavin		
	1909-13	1947-49	1968 1/	1909-13	1947-49	1968 1/
	Percent					
Fluid milk	85.9	65.8	60.5	89.4	69.5	64.9
Whole	69.3	58.6	50.8	72.2	61.9	54.5
Low fat	16.5	7.2	9.7	17.2	7.6	10.4
Evaporated and condensed milk	4.6	12.3	7.6	4.6	12.3	7.8
Evaporated, whole	1.0	7.7	2.9	1.0	7.4	2.8
Condensed, whole	2.9	.9	1.0	2.9	.9	1.0
Evaporated and condensed skim	.7	3.7	3.7	.7	3.9	4.0
Dry milk	0	6.9	11.2	0	7.0	11.4
Whole	0	.6	.5	0	.7	.6
Non-fat	0	6.4	10.7	0	6.4	10.9
Cheese	6.8	8.8	13.1	3.2	4.6	7.3
Cottage	.1	.4	.7	.3	.9	1.6
Other	6.7	8.4	12.4	2.9	3.8	5.7
Frozen	.6	3.8	6.0	.6	3.8	6.0
Other 2/	2.2	2.4	1.6	2.3	2.9	2.6
Total 3/	100.0	100.0	100.0	100.0	100.0	100.0
Quantity per capita per day (mg.)	553	739	711	.77	1.02	.97

1/ Preliminary. 2/ Includes cream, dry whey, malted milk. 3/ Components may not add to total due to rounding.

Table 16.--Comparison of nutrients per quart for whole milk and non-dairy milk substitutes

Nutrients	Whole milk 1/	Non-dairy milk substitutes	
		A 2/	B 3/
	Gram		
Protein	34.2	7.8	8.6
Fat	34.2	30.0	36.0
Carbohydrate	47.8	66.0	65.4
Calcium	1.15	.18	.23
Phosphorus	.91	.46	.14

1/ U.S. Department of Agriculture, ARS, Composition of Foods...raw, processed, prepared. Agricultural Handbook No. 8. 2/ The Milk Dealer, March 1968, p. 25. 3/ Dairy Council Digest, Volume 39, No. 2, March-April 1968, p. 8

among products and values could change, 2 examples of "nondairy" products are given in table 15. No Federal standards of identity and quality exist for these products, but such standards have been proposed by the Food and Drug Administration. 6/

On the other hand, except for the fat portion, the nutritive values for filled milk are like milk.

6/ "Imitation Milks and Creams, Standards of Identity and Quality," Federal Register, Vol. 33, No. 98, May 18, 1968, pp. 7456-7458.

Whole milk is an important source of a number of nutrients in addition to protein, calcium, and phosphorus. As shown in table 16, the dairy products group, excluding butter, supplies over two-fifths of the riboflavin, roughly one-eighth of the food energy, fat, and vitamin A value, and about one-tenth of the thiamine in the national diet.

Some persons favor milk substitutes because they contain vegetable oils instead of animal fats. But the kind of vegetable oil now chiefly used--coconut oil--is even more highly saturated than milk fat.

U.S. FOOD CONSUMPTION: ANNUAL DISAPPEARANCE AND HOUSEHOLD SURVEY DATA

Data from the 1955 and 1965 household food consumption surveys provide a unique opportunity to amplify annual estimates of food consumption derived on the basis of "disappearance," using complete supply and utilization balance sheets. Data from these two independent sources are mutually supporting for many commodities after careful adjustment to allow for differences in concepts and methods of reporting. However, since each set of data had its own purpose and procedures, some of the differences are not reconcilable.

Each set of data has certain inherent advantages as well as limitations. Neither source precisely measures the food Americans are actually eating. Both measure food on the basis of sale at retail store or as brought into the kitchen.

The "disappearance" data provide a reasonably consistent measure of changes in consumption over time because data are collected annually and they approximate an accounting of total food supply and utilization. But these data are available only in terms of products in primary form. They are not available for many individual food items, and have no cross-sectional breakdown.

The surveys permit cross-sectional analyses of differences in consumption between city and farm people, among regions, and among groups classified by socio-economic factors such as income, age, and household size. Information on such cross-sectional differences is useful in explaining changes over time that are observed from the time-series data. For example, they are useful in refining predictions where projected changes in residence and other characteristics of the population can be estimated. But the survey data are most useful for in-depth analysis of consumption at sampled points in time that may not necessarily be indicative of trends.

For example, on the basis of data as reported (which cover the months of April, May, June), the surveys suggest more of a decline in consumption of dairy products and vegetables and a smaller rise in consumption of poultry than do the annual disappearance data. However, the survey data indicate much less of a decline in consumption for eggs and more of a rise for meat than trends in the annual data would support. This report will refine these gross relationships by adjusting the data to be as conceptually consistent as possible.

Differences in Data

Time-series data are derived as residuals from estimates of production or marketings of farm products, foreign trade, stock changes, and nonfood uses and are presented in terms of retail weights of foods in primary form. Survey data are obtained by interviewing homemakers on food used in the household during the preceding week and are reported in the form in which the food entered the home.

Food consumption data from the survey, shown in table 17, have been adjusted to match the time-series data insofar as possible for comparability in form, consistency in classification, and the inclusion of indirect uses. However, no adjustments were made for seasonality because of the lack of information available at this time.

Direct and Indirect Uses

The American market contains a myriad of prepared and partially-prepared foods which combine numerous farm products. The homemaker being interviewed reported all of these foods in terms of final products. Published survey data do not isolate the ingredients of mixed foods. For comparison with the primary products in the time-series data, foods such as bakery products, flour mixes, jellies, soft drinks, ades and punches, mixtures, soups, potato chips, and breakfast cereals were broken

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7/ By Corinne Le Bovit, Food Consumption Section, ERS.

Table 17.--Per capita food consumption: Annual disappearance 1/ and household food consumption surveys 2/

Food	Annual disappearance retail weight, equivalent		Household food consumption surveys, spring				Percentage difference, survey (adjusted) to time series	
			As published 3/		Adjusted 4/			
	1955	1965	1955	1965	1955	1965	1955	1965
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent
Meat	152.2	148.0	157.6	174.6	158.3	175.2	4	18
Poultry	26.7	41.2	36.5	44.4	34.9	46.5	31	13
Fish, shellfish	12.9	13.9	20.6	19.1	16.8	15.2	30	9
Eggs	46.9	39.8	43.8	42.5	46.5	46.9	-1	18
Dairy products, excluding butter:								
Product weight	398.0	366.0	429.6	367.7	431.5	370.7	8	1
Calcium equivalent	524.6	503.1	501.4	454.7	537.0	493.7	2	-2
Fats and oils, including butter	49.2	50.7	46.3	42.7	50.9	50.7	3	0
Melons	33.0	25.4	17.6	26.1	17.6	26.1	-47	3
Fruits, including olives, baby food	145.3	130.0	191.0	168.3	198.1	177.9	36	37
Potatoes, sweetpotatoes:								
Product weight	113.7	104.1	97.2	84.8	97.2	83.4	-14	-20
Fresh equivalent	115.0	112.9	104.1	101.3	105.3	102.4	-8	-9
Vegetables, including pickles, relish, baby food, soup	211.2	206.5	203.3	183.9	207.5	191.2	-2	-7
Dry beans, peas, nuts	16.2	16.6	15.0	21.3	12.9	15.6	-20	-6
Flour, cereal, baked goods	152.0	144.0	196.1	194.8	148.7	135.9	-2	-6
Sugars, sweeteners	106.3	111.4	64.7	58.5	78.5	84.2	-26	-24
Coffee, tea, cocoa	15.0	15.1	15.3	14.7	17.6	17.1	17	13
Mixtures	---	---	23.9	30.8	---	---	---	---
Soft drinks, fruit ade, punch, nectar	---	---	46.8	96.5	---	---	---	---
Leavening	---	---	1.7	.5	3.9	2.7	---	---

1/ Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968.
2/ Household Food Consumption Surveys, 1955 and 1965-66, Report 1.
3/ Average quantity per person per week in spring multiplied by 52.
4/ Form adjusted to that of time-series data; indirect uses included.

down into ingredients using the best available factors for each identified food item. A considerable quantity of sugar, flour, and fats and lesser quantities of nearly all other food categories entered the home as ingredients of final products.

Consistent Form

The time-series data convert each item to a consistent, specified primary form. But the survey data report consumption in the variety of forms in which the food was obtained. For example, poultry in the time-series data is reported on a ready-to-cook equivalent basis, and fish and shellfish on an edible weight basis. For comparability, live-weight poultry, whole fish, and the shellfish tabulated as "in shell" by the survey were each converted to the primary form reported in the time-series data. Other items for which similar adjustments were made included cocoa products in various forms converted to beans, salad dressing to oil, dehydrated vegetables to fresh, and baked beans to dry edible beans.

Classification

A few items are grouped differently in the survey than in the time-series data. For example, canned baked beans were classified with canned vegetables rather than with dry beans and peas. Melons are with fruit rather than shown separately. For comparability, these foods were reclassified to the food groups used in reporting time-series data.

Effects of Different Coverages

Season

The survey in 1955 covered only the spring quarter. The 1965-66 survey covered all 4 quarters but, so far, only data for spring 1965 are available. To the extent that use in the spring differs from the average for the year, the survey data would be expected to differ from the time-series data.

Seasonal indexes, calculated from household survey data collected in cities in 1948 and 1949, were used in this analysis as a rough guide of the probable effects of seasonality.8/ Present day seasonal differences are probably less than they were 20 years ago but some seasonality persists. Data for 1965 will be adjusted for seasonality when data for the 3 quarters following spring 1965 become available. However, since the 1955 data are available only for the spring quarter, the implied 1955-65 trend will not be affected by later data.

Egg consumption is probably slightly higher in the spring than during the rest of the year. Consumption of grain products, sugar, vegetables, and potatoes is probably somewhat lower. If adjustments were made for expected seasonal differences, most survey and time-series averages would be closer than indicated in table 17, but not for fruits and melons.

Household Use at Home

The surveys report only food consumed by housekeeping households (defined as those in which at least one person ate a minimum of 10 meals from household food supplies during the week preceding the interview). Excluded are people in group quarters (about 1.5% of the population in 1965) such as rooming houses, hospitals, and prisons, and those in non-housekeeping households (about 3-4% of the population in 1965). These exclusions probably have little effect on average consumption per person.

Members of the households surveyed reported only food consumed at home or carried from home in packed lunches. An adjustment was made to yield total consumption by counting each 21 meals served in the household as a person rather than using the actual number of persons for per-person averages. Such an adjustment

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8/ Faith Clark, et al., Food Consumption of Urban Families in the U.S., AIB 132, 1954, tables 52 and 53.

implicity assumes that average consumption per meal eaten out is approximately the same as average consumption per meal eaten at home. For most broad groups of foods this assumption is probably reasonable.

In spring 1965 a higher proportion of family meals was eaten out than in 1955. But the proportion of meals served to nonfamily members was about the same in both surveys.

Item Coverage

The time-series data omit forest and nursery products, game birds, minor commercial fruits, and fruit consumed on farms where produced. The time-series data also exclude beer, wines, and spirits. Since these alcoholic beverages are shown separately in the survey data, they are excluded in making comparisons.

The surveys include yeast, baking powder, and other food additives as part of the foods in which they are ingredients. Also, leavenings, vinegar, artificial sweeteners, salt, and seasonings purchased during the week of the survey were included. The time-series data omit all such products. Quantitative effects of such differences are insignificant, but nutritional effects of some products, such as those which contain calcium (most baking powders, dough conditioners and mold inhibitors in baked goods) can be significant.

Some Differences Remain

As indicated, some differences between the two sets of data shown in table 17 likely would disappear if the data were adjusted for seasonal effects. However, 1965 survey data probably would continue high in relation to time-series data for meat, poultry, fish, eggs, melons, and fruit--and low for sugars. Discussion follows on some of the possible explanations for these differences.

Survey Data Methodology

Some of the meat, fruit, and melon consumption data were reported in terms of physical dimensions rather than pounds. In those cases, pounds were derived using factors for weight per cubic inch. The procedure--which differed from that used in 1955--could be responsible for part of the discrepancy in consumption from the time-series data. This hypothesis appears to be corroborated for meat by the relatively large proportion of steak to total beef reported by the survey in 1965.

Another possible problem may have been the homemaker's inability to distinguish between fruit juices and fruit drinks, punches, and ades containing juice diluted with water or entirely synthetic. Considerable effort was made to get accurate identification of these products--by the use of trade names and by calling attention to the problem.

However, the survey data show fruit juice consumption to be a significantly larger proportion of total fruit in 1965 than in 1955, which is contrary to relationships based upon the time-series data. Many more fruit drinks and similar products were on the market in 1965 than in 1955. Therefore, overestimation of fruit juice may have been greater in 1965.

Sugar, a more important ingredient of drinks and ades than of juices, may have been underestimated in 1965 along with the underestimation of drinks and ades. Sugar consumption appears to be consistently underestimated in surveys for other reasons, too. It is impossible to measure all of the sugar used in various processed foods. Understatement of between-meal consumption at home of items such as candy, soft drinks, ades, and popsicles is probable. And, the implicit assumption that consumption away from home is proportional to that at home is more of a problem for these foods.

Time-Series Data Problems

Comparisons with unpublished estimates of animal products used on farms where produced show lower home consumption of meat, poultry, fish, and eggs on farms in the time-series data than reported by the surveys. These differences would account for most of the difference in consumption of poultry, fish, and eggs between the two sets of data if the survey data were assumed to be correct.

The time-series data include no estimates for consumption of home-produced tree fruits and berries nor those picked wild. Minor commercial items also are omitted. But survey data include all such products. Addition of this consumption to the time-series data narrows the difference in fruit consumption, but a large difference still remains.

No deduction is made in the time-series data for some nonfood uses of sugars and sweeteners (such as cough drops, medicines, tobacco). Quantities embodied in imported and exported processed foods are also essentially omitted. More unreported sugar is likely contained in imported processed foods than in exports. The omissions result in some overestimation of sugar consumption.

Other problems in the estimation of time-series consumption may result from incomplete information on nonfood uses, stocks, and military uses. 9/ Furthermore, a set of constant waste factors is used in converting quantities of some products from primary weight to their retail equivalents. Changes in physical efficiency of marketing and varying levels of uses or stocks not covered would bias the trends in the time-series data.

Trends in Consumption

The reliability of a trend based upon 2 points in time depends upon the closeness of the 2 points to the long-term trend. Aside from possible measurement and sampling errors, three potential sources for error exist in drawing conclusions about trends based on household surveys taken during a single quarter at isolated points in time: (1) Extent to which consumption in the survey years departs from the long-term trend, (2) existence of seasonality in consumption and changes in seasonality between the periods surveyed, and (3) methodological difference between surveys due to such things as changes in definitions and survey techniques.

Variations in trends in consumption comparing annual disappearance and household survey data are shown in table 18 and figures 15, 16, and 17. To show trends, time series data for the years, 1950-67 were fitted statistically by "least squares". Household food consumption survey data (as adjusted) for spring 1955 and 1965 are shown in the charts as two points joined by a dotted line so that implied trends can be visually compared with the time-series trend.

For potatoes and sweetpotatoes, the 2 sets of data imply different trends. Time-series "disappearance" data show that consumption in 1955 was high and 1965 low relative to the 1950-67 trend. The surveys show consumption to be lower by about the same amount in each of the 2 years. But since the 2 years were not on the time trend, the survey data alone would imply a slight downtrend while the time-series show a slight uptrend.

For poultry, fruit, flour and cereals, and sugars and sweets the trends implied by the 2 sets of data are closely parallel even though the levels differ. The level of consumption based on the survey data was higher for fruits and poultry, and lower for sugar and sweets.

For eggs, melons, fish and shellfish, and the dry beans, peas, nuts group, time trends based on the 2 surveys differ greatly from the time trend based on annual data. The implied trends for vegetables and fats and oils also differed, but to a lesser degree.

9/ U.S. Food Consumption, Statistical Bulletin No. 364, June 1965

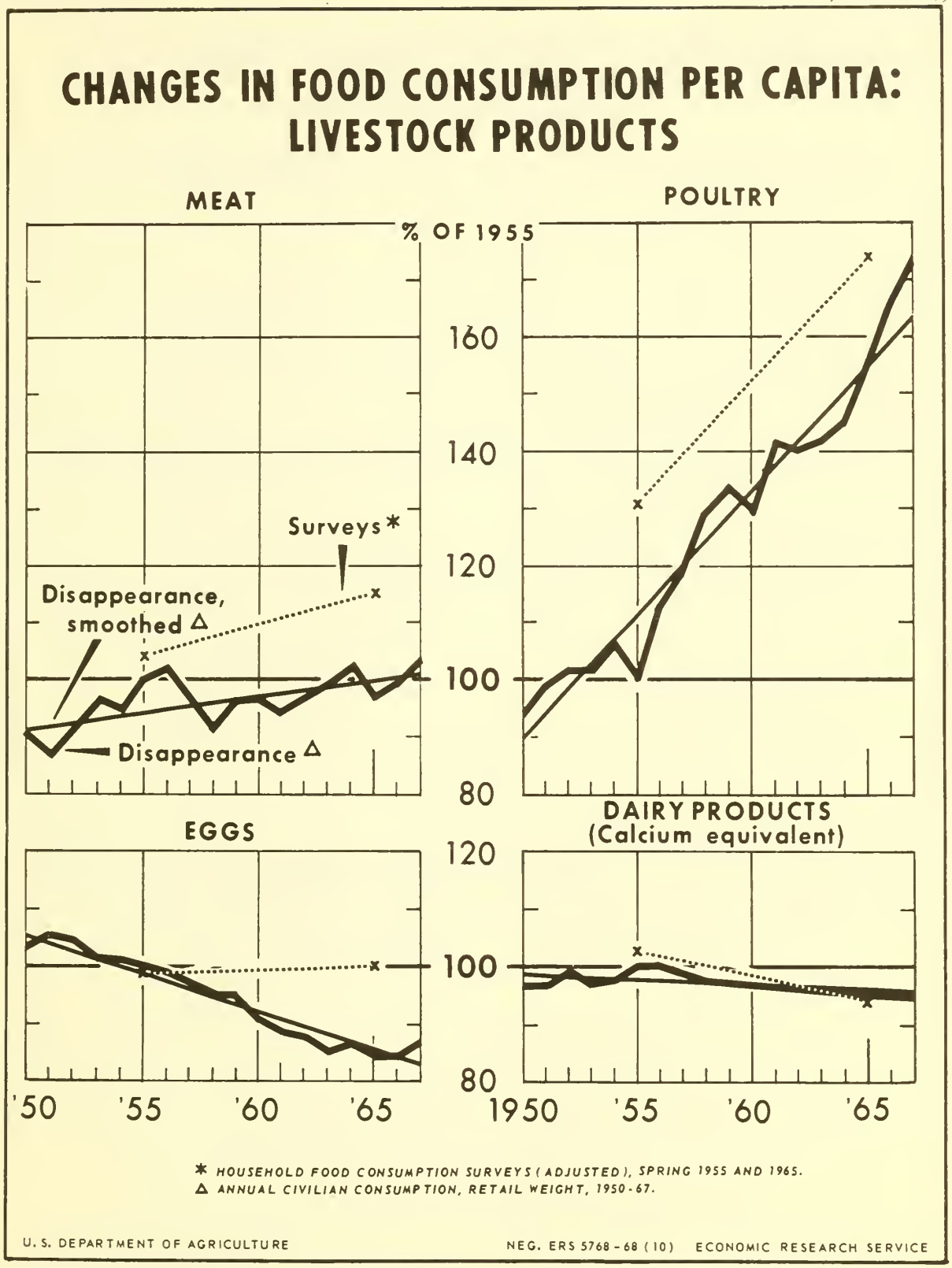
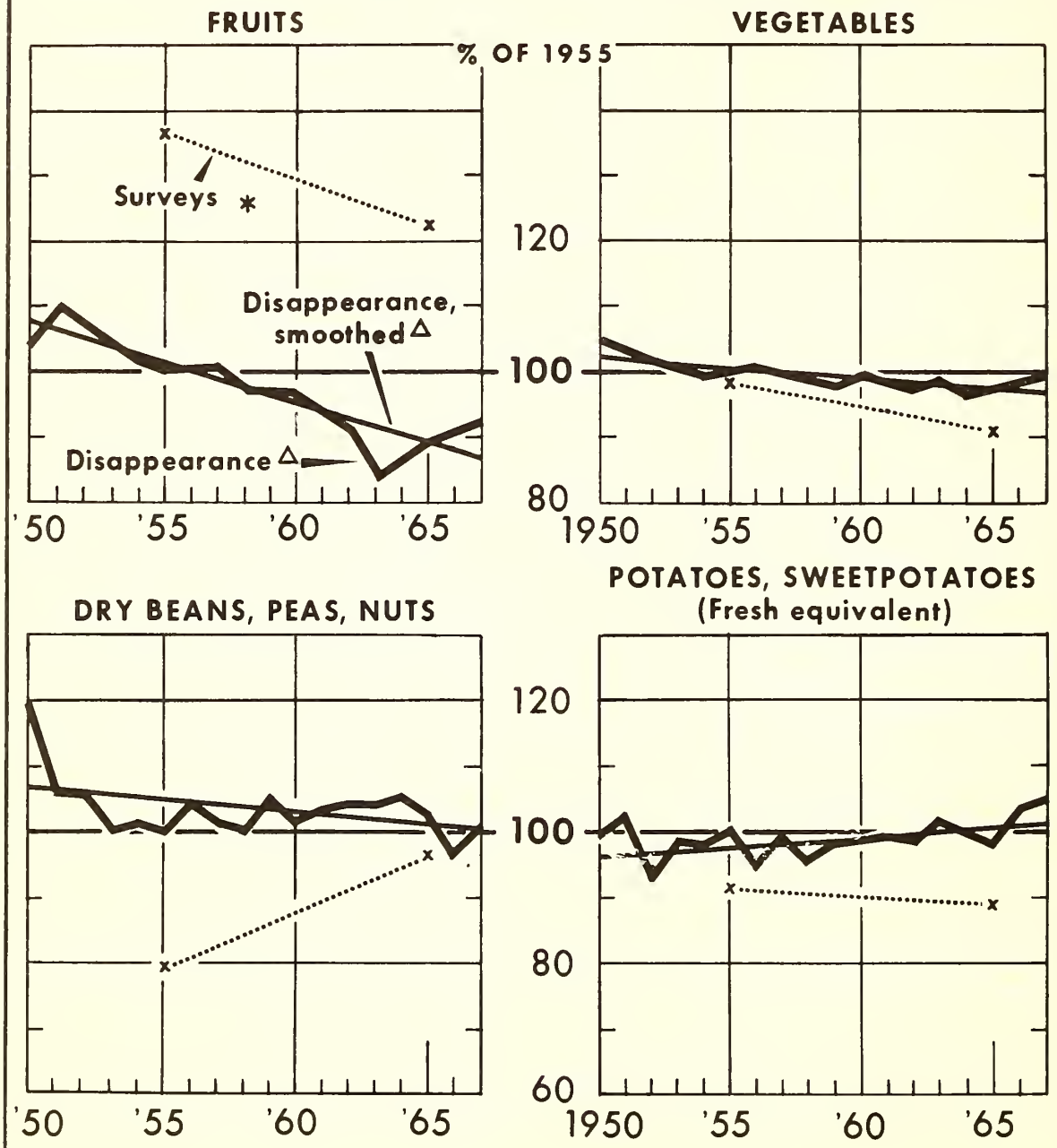

CHANGES IN FOOD CONSUMPTION PER CAPITA:
LIVESTOCK PRODUCTS
MEAT
POULTRY
% OF 1955
160
140
120
100
80
Surveys *
Disappearance, smoothed Δ
Disappearance Δ
EGGS
DAIRY PRODUCTS
(Calcium equivalent)
120
100
80
'50
'55
'60
'65
1950
'55
'60
'65
* HOUSEHOLD FOOD CONSUMPTION SURVEYS (ADJUSTED), SPRING 1955 AND 1965.
Δ ANNUAL CIVILIAN CONSUMPTION, RETAIL WEIGHT, 1950-67.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 5768-68 (10) ECONOMIC RESEARCH SERVICE

Figure 15

CHANGES IN FOOD CONSUMPTION PER CAPITA: FRUITS, VEGETABLES



* HOUSEHOLD FOOD CONSUMPTION SURVEYS (ADJUSTED), SPRING 1955 AND 1965.
Δ ANNUAL CIVILIAN CONSUMPTION, RETAIL WEIGHT, 1950-67.

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 5767-68 (11) ECONOMIC RESEARCH SERVICE

Figure 16

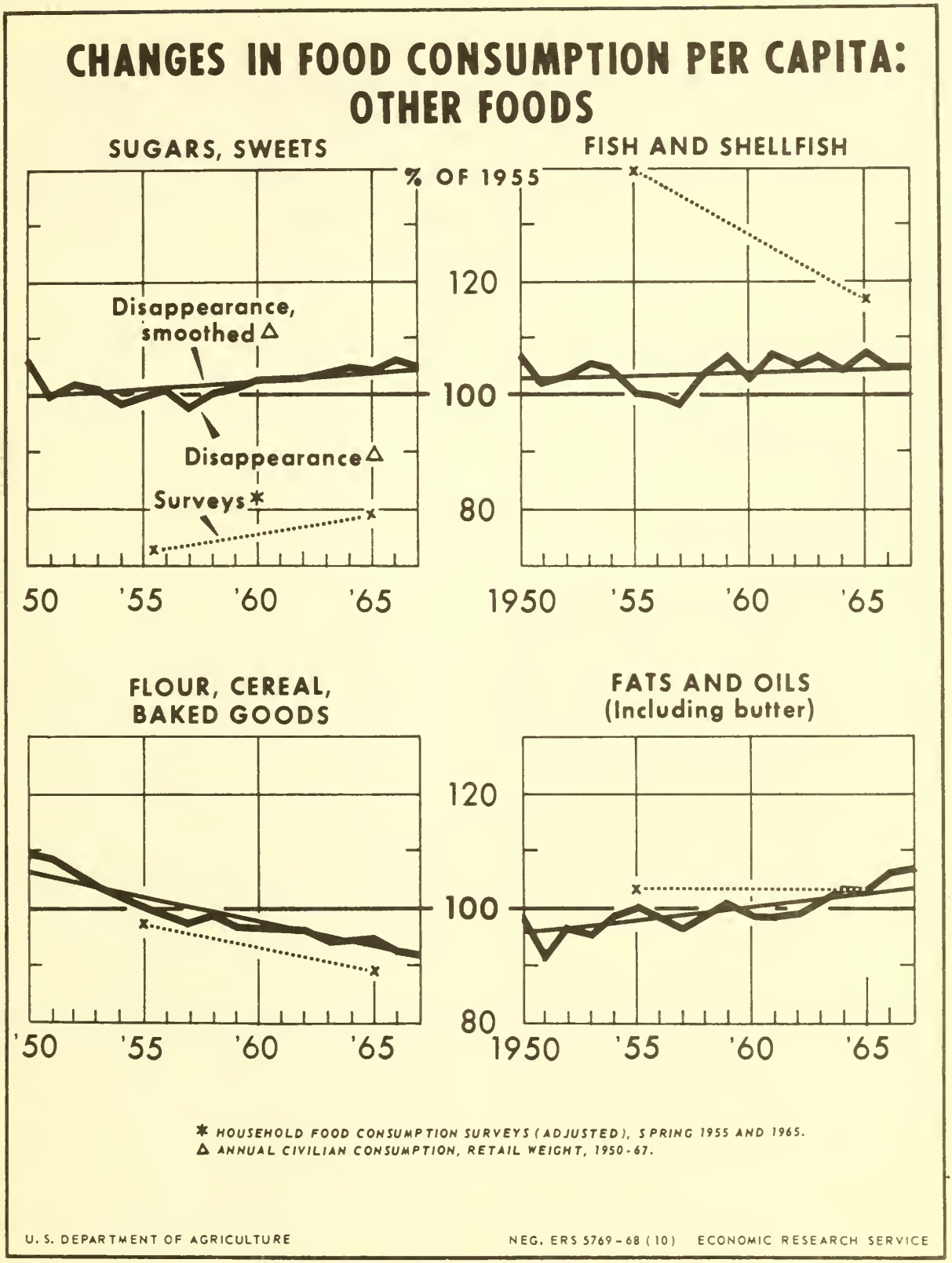

CHANGES IN FOOD CONSUMPTION PER CAPITA:
OTHER FOODS
SUGARS, SWEETS
% OF 1955
Disappearance, smoothed △
Disappearance △
Surveys *
50
'55
'60
'65
FISH AND SHELLFISH
120
100
80
1950
'55
'60
'65
FLOUR, CEREAL, BAKED GOODS
'50
'55
'60
'65
FATS AND OILS (Including butter)
120
100
80
1950
'55
'60
'65
* HOUSEHOLD FOOD CONSUMPTION SURVEYS (ADJUSTED), SPRING 1955 AND 1965.
△ ANNUAL CIVILIAN CONSUMPTION, RETAIL WEIGHT, 1950-67.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 5769-68 (10) ECONOMIC RESEARCH SERVICE

Figure 17

Table 18.--Annual changes in per capita food consumption

Food	Annual disappearance (least squares trends)		Household surveys (adjusted)
	1950-1967	1955-1965	spring 1955 to spring 1965
	Pounds	Pounds	Pounds
Meat	0.8	0.1	1.7
Poultry	1.1	1.2	1.2
Fish, shellfish	1/	.1	-.2
Eggs	-.6	-.8	1/
Dairy products (calcium equivalent)	-.8	-2.3	-4.3
Fats and oils (including butter)	.2	.2	1/
Melons	-.5	-.7	.8
Fruits	-1.6	-2.3	-2.0
Potatoes, sweetpotatoes (fresh equivalent)	.2	.3	-.3
Vegetables	-.7	-.6	-1.6
Dry beans, peas, nuts	-.1	1/	.3
Flour, cereal, baked goods	-1.3	-.8	-1.3
Sugars, sweeteners	.2	.6	.6

1/ Plus or minus 0.05 or less pounds.

Meat consumption also is shown to differ significantly on the basis of the 2 sets of data. In this case, there are some compensating variations that combined to imply similar trends over time. In 1965, survey data exceeded the annual data much more than in 1955. However, the annual data for these 2 years departed from the 1950-67 trend in the opposite direction--higher than the trend in 1955 and lower in 1965. The combined result was a pair of similar trends. But, the level of consumption was higher on the basis of the survey data.

For dairy products, consumption in the spring quarter was high in relation to the rest of the year in 1955; it was relatively low in 1965. In addition, annual data show 1955 above and 1965 below the long-term trend. The surveys reflect both of these variations and, as a result, show a faster rate of decline than actually took place.

Conclusions

Food consumption data derived from household surveys were compared with time-series data after adjustments were made for consistency covering indirect uses, form in which reported, and classification of food groups. Foods with a high proportion of indirect uses included dairy products and eggs. Those that appeared to be most in need of adjustment for consistent form included flour, cereals, and baked goods; dry beans, and peas; and fishery products. Sugars and sweets and fats and oils required both adjustments. It was not possible at this time to make explicit allowances for seasonality and the pattern of food consumed away from home.

After adjustment, trends in consumption implied by the survey data were usually consistent with those based on time-series "disappearance" data for most of the important food groups. But there were some important exceptions. Data from the 2 sources were less consistent in measuring level of consumption. These provisional conclusions are subject to reexamination when household survey information on seasonality becomes available for 1965 and information on away-from-home eating emerges from an industry survey currently being conducted.

Meanwhile, time-series data would be appropriate to use if the objective is to determine trends in food consumption. Cross-sectional interrelationships based on the surveys can be applied to the time-series data in analyzing effects on consumption of such important factors as levels of income, degree of urbanization, region, size of family and substitution of individual food commodities. Used together the 2 sets of data supplement each other in the analysis of food consumption.

Table 19.--Wholesale Price Indexes, selected items, 1947-68
(1957-59=100)

Year and month	Farm products			Processed foods and feeds														
				Meats														
	Eggs	Fresh and dried fruits and vegetables 1/	Total 2/	Beef and veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables 1/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 3/	Total 4/	All food 5/	Industrial commodities 6/	All commodities
1947-49	133.6	94.3	109.2	97.1	112.6	100.9	174.3	80.5	88.6	93.0	123.5	84.8	87.2	75.3	93.9	94.4	79.0	84.2
1950	113.4	86.1	106.4	106.8	98.3	103.6	148.5	80.7	84.0	92.8	101.8	83.9	85.1	83.5	93.2	93.0	82.9	86.8
1951	144.2	91.7	123.8	128.4	103.8	120.2	163.5	86.3	95.4	98.1	120.0	90.6	92.2	89.0	103.5	104.1	91.5	96.7
1952	128.0	113.4	116.8	122.3	101.6	110.8	149.8	85.7	100.6	97.6	98.7	90.6	94.8	90.8	102.3	102.7	89.4	94.0
1953	141.2	94.6	105.9	89.6	111.8	93.0	144.6	85.2	97.9	97.3	103.3	92.8	95.3	92.4	97.6	98.5	90.1	92.7
1954	106.7	93.5	104.4	88.0	115.9	92.4	121.4	85.2	94.0	97.2	105.0	96.5	98.0	102.9	99.3	97.7	90.4	92.9
1955	114.6	98.1	97.9	85.7	94.0	83.5	128.0	84.9	94.0	98.1	100.6	98.5	96.3	99.1	95.0	95.3	92.4	93.2
1956	109.4	98.2	96.6	82.3	87.8	79.8	108.4	91.9	96.2	100.4	105.4	97.6	95.7	101.5	94.8	95.2	96.5	96.2
1957	103.2	97.7	99.2	87.9	102.5	91.9	101.5	96.2	98.9	96.6	106.3	99.1	98.9	101.6	97.6	98.1	99.2	99.0
1958	109.2	105.6	103.6	105.3	108.3	108.9	102.2	103.5	99.8	102.0	102.3	99.9	100.8	99.4	102.5	103.3	99.5	100.4
1959	87.6	96.8	97.2	106.8	89.2	99.2	96.3	100.3	101.3	101.4	91.4	101.1	100.4	99.0	99.9	98.5	101.3	100.6
1960	103.2	100.6	96.9	100.6	91.0	96.8	99.9	102.0	105.0	99.5	90.5	103.2	101.8	98.8	100.0	100.0	101.3	100.7
1961	99.0	93.7	96.0	97.0	93.9	95.1	85.8	107.9	107.5	101.7	102.7	105.1	101.2	98.6	101.6	100.0	100.8	100.3
1962	95.2	97.7	97.7	103.2	94.1	97.8	90.2	119.2	106.9	98.0	97.3	107.6	102.2	99.0	102.7	100.6	100.8	100.6
1963	94.0	96.1	95.7	95.7	88.3	91.5	88.6	112.0	107.5	103.9	88.2	107.3	118.4	100.9	103.3	100.4	100.7	100.3
1964	90.8	103.2	94.3	90.5	88.3	89.0	87.4	107.4	107.8	104.8	89.7	107.8	111.8	106.2	103.1	100.8	101.2	100.5
1965	93.5	101.8	98.4	95.6	108.2	100.8	90.9	112.8	108.5	102.1	101.2	109.0	109.0	105.7	106.7	104.5	102.5	102.5
1966	107.9	102.5	105.6	104.1	117.5	109.9	97.3	127.2	118.5	104.8	104.6	115.4	110.5	105.8	113.0	110.7	104.7	105.9
1967	84.3	101.6	99.7	105.8	105.1	105.5	86.0	125.2	122.0	107.2	102.0	117.1	113.0	106.5	111.7	108.6	106.3	106.1
1968																		
January	73.8	108.1	99.0	107.4	103.5	105.1	87.0	134.0	123.8	113.7	100.2	117.1	113.4	107.9	112.4	109.5	107.8	107.2
February	80.0	112.5	101.3	109.6	104.0	106.7	93.2	133.4	124.0	113.8	100.2	117.4	113.7	108.6	113.3	111.1	108.3	108.0
March	80.9	114.5	102.1	110.1	102.8	106.8	89.7	130.1	123.3	114.4	100.2	117.4	113.7	108.9	112.9	111.0	108.6	108.2
April	82.7	112.0	102.1	109.7	96.6	105.0	89.3	133.3	125.9	114.6	100.2	117.3	114.0	109.5	112.8	110.8	108.8	108.3
May	72.6	123.6	103.6	110.5	98.5	106.2	91.8	132.8	128.9	114.6	100.2	117.1	114.2	109.4	113.6	112.2	108.6	108.5
June	88.3	106.4	102.5	110.5	108.6	109.4	93.6	132.6	128.7	114.8	100.2	117.0	116.0	109.4	114.6	112.3	108.8	108.7
July	91.4	108.2	103.9	112.5	115.9	113.2	97.9	134.8	128.8	114.7	100.2	118.4	116.4	109.5	115.9	113.9	108.8	109.1
August	98.4	97.4	101.4	112.3	103.6	109.3	92.9	134.6	128.8	113.6	100.6	119.3	116.2	109.8	114.9	112.2	108.9	108.7
September	126.7	97.6	102.8	111.6	109.1	110.8	93.7	136.5	129.1	113.6	100.6	119.0	117.6	110.0	115.3	113.9	109.2	109.1
October																		
November																		
December																		
	Seasonally adjusted																	
1967																		
January	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
February	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
March	87.8	95.4	99.2	---	---	---	---	---	121.1	104.0	100.2	117.7	113.0	105.9	111.0	---	---	---
April	86.4	92.0	97.3	---	---	---	---	---	120.8	103.9	101.1	117.1	111.4	106.1	110.8	---	---	---
May	89.3	98.4	101.5	---	---	---	---	---	122.4	105.0	101.9	117.8	112.3	106.1	111.6	---	---	---
June	87.4	110.4	103.9	---	---	---	---	---	123.4	106.2	102.5	117.4	113.5	106.2	113.1	---	---	---
July	92.6	104.5	101.9	---	---	---	---	---	122.5	106.8	102.1	116.3	114.5	106.3	112.4	---	---	---
August	78.2	101.5	98.8	---	---	---	---	---	122.2	109.0	102.6	117.0	114.1	106.3	112.2	---	---	---
September	81.7	96.3	97.6	---	---	---	---	---	122.0	109.0	103.6	116.8	114.1	106.7	112.4	---	---	---
October	70.6	97.0	97.7	---	---	---	---	---	122.3	109.1	102.5	116.8	113.8	107.4	111.3	---	---	---
November	71.8	103.7	96.8	---	---	---	---	---	121.9	111.4	101.2	116.7	113.9	107.5	111.1	---	---	---
December	85.2	110.2	100.0	---	---	---	---	---	122.9	112.7	100.4	116.9	112.5	107.7	111.5	---	---	---
1968																		
January	74.8	111.1	98.7	---	---	---	---	---	123.3	112.9	98.6	117.1	112.1	107.9	111.7	---	---	---
February	83.1	113.3	101.1	---	---	---	---	---	124.0	113.8	99.0	117.5	112.4	108.6	113.2	---	---	---
March	79.4	113.0	102.2	---	---	---	---	---	123.8	114.4	99.3	117.6	113.7	109.1	113.6	---	---	---
April	73.3	104.4	101.8	---	---	---	---	---	126.8	114.6	100.0	117.5	114.3	109.6	113.9	---	---	---
May	85.7	117.3	103.9	---	---	---	---	---	130.3	114.6	106.0	117.3	114.8	109.5	114.7	---	---	---
June	100.1	100.8	102.9	---	---	---	---	---	129.9	114.3	101.2	117.1	116.8	109.3	114.4	---	---	---
July	97.8	103.5	102.4	---	---	---	---	---	128.9	114.7	101.1	118.0	117.0	109.4	115.1	---	---	---
August	94.1	102.5	100.8	---	---	---	---	---	128.8	115.7	102.0	119.4	116.4	109.6	114.7	---	---	---
September	109.8	103.0	102.2	---	---	---	---	---	128.1	114.7	101.5	119.2	117.8	110.1	114.2	---	---	---
October																		
November																		
December																		

1/ Includes potatoes. 2/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 3/ Includes alcobolic beverages. 4/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately. 5/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 6/ Prior to 1967, includes manufactured animal feeds, soft drinks and alcobolic beverages.

Bureau of Labor Statistics.

Table 20.--Retail food price indexes and Consumer Price Index, selected periods
(1957-59=100)

Year and month	Food at home																	Consumer Price Index
	Meats								Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total	Food away from home	All food	
	Beef and veal	Pork	Total 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fresh	Processed	Total							
1935-39	36.5	43.2	37.8	68.7	28.9	60.3	45.9	65.4	37.3	50.2	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	97.0	87.8	91.4	126.1	89.0	104.7	84.7	94.2	76.6	81.7	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	113.3	93.1	103.6	132.1	101.6	127.4	94.5	110.3	83.1	92.4	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	112.4	92.1	102.6	132.6	99.0	116.3	98.5	93.5	96.6	91.0	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	88.6	102.5	95.8	129.3	95.3	123.2	96.8	93.9	91.1	93.2	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	85.3	105.7	95.3	116.7	95.8	103.1	93.7	98.9	89.3	92.6	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	84.4	91.0	87.7	121.5	93.9	106.5	93.6	95.9	91.0	93.4	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	83.1	86.4	84.8	106.5	93.8	105.9	96.0	98.0	96.3	96.3	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	89.2	99.5	94.2	103.8	95.0	100.9	98.8	102.4	97.0	94.2	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	103.8	106.1	104.9	102.6	101.6	106.1	100.3	101.2	104.0	100.8	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	106.9	94.4	101.0	93.5	103.4	92.9	101.0	96.5	99.1	105.0	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
1961	102.5	98.2	100.5	85.8	105.8	100.1	104.8	98.6	103.5	105.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
1962	106.2	99.1	102.5	90.7	110.2	94.6	104.1	98.5	106.3	102.6	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
1963	105.0	96.6	100.9	89.3	110.0	96.0	103.8	95.7	112.6	108.3	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7
1964	101.9	96.1	99.4	87.3	107.4	95.0	104.7	95.4	119.2	110.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.9	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	109.9
1966	112.4	125.1	116.8	94.9	117.8	105.7	111.8	107.2	123.9	109.9	117.6	115.8	111 3	100.0	112.6	123.2	114.2	113.1
1967	113.1	114.8	113.8	88.9	121.8	88.4	116.7	106.5	124.3	109.2	117.5	118.5	114.7	99.1	112.3	129.6	115.2	116.3
1968																		
January	115.9	112.0	114.4	88.3	122.7	85.2	118.5	105.3	132.1	114.4	124.1	118.3	116.0	99.4	113.8	132.9	117.0	118.6
February	116.3	113.1	114.9	88.0	122.9	89.2	118.5	105.0	133.1	114.8	124.9	118.2	116.0	99.8	114.2	133.3	117.4	119.0
March	116.3	114.5	115.3	94.4	121.4	86.1	118.7	104.6	135.4	114.6	126.1	118.1	116.2	99.9	114.7	133.7	117.9	119.5
April	116.0	113.6	115.0	92.7	122.2	89.7	118.8	104.5	138.9	115.1	128.3	118.3	116.4	100.5	115.1	134.4	118.3	119.9
May	117.1	114.0	115.7	91.0	122.9	81.9	120.2	104.5	142.7	115.6	130.7	118.4	116.7	101.1	115.6	135.1	118.8	120.3
June	117.3	113.9	115.8	91.5	123.6	83.9	120.9	104.7	141.7	115.4	130.0	118.6	117.6	101.3	115.8	135.7	119.1	120.9
July	117.7	116.3	116.6	91.6	124.1	88.9	121.0	104.5	145.7	115.3	132.2	119.2	118.3	101.1	116.7	136.5	120.0	121.5
August	118.8	117.8	117.9	93.6	124.3	99.1	121.5	104.0	138.3	115.7	128.2	119.6	120.5	101.7	117.1	137.2	120.5	121.9
September	119.1	117.4	118.0	94.5	124.8	109.4	121.6	103.7	128.6	116.1	122.9	119.8	120.7	101.6	116.8	138.0	120.4	122.2
October																		
November																		
December																		
	Seasonally adjusted																	
1967																		
January	110.6	115.1	112.7	86.9	122.6	103.4	115.8	---	126.4	---	118.5	---	---	---	112.5	---	114.9	---
February	111.5	114.3	112.8	88.5	121.4	88.8	115.9	---	120.0	---	114.4	---	---	---	111.4	---	114.0	---
March	111.4	113.8	112.8	88.1	122.7	93.3	115.6	---	120.9	---	114.7	---	---	---	111.6	---	114.3	---
April	111.1	113.7	112.1	88.4	122.7	88.5	116.3	---	116.6	---	112.1	---	---	---	110.9	---	113.9	---
May	111.0	113.8	112.3	90.6	122.3	90.1	116.6	---	119.5	---	113.5	---	---	---	111.5	---	114.5	---
June	114.9	120.6	116.6	85.6	121.1	89.6	117.4	---	121.6	---	115.1	---	---	---	112.6	---	115.3	---
July	114.3	117.4	115.2	88.4	121.3	86.4	117.0	---	123.2	---	116.0	---	---	---	112.0	---	115.0	---
August	114.2	115.8	115.0	89.4	121.6	95.2	116.6	---	130.1	---	120.6	---	---	---	112.9	---	115.8	---
September	113.8	113.2	113.6	90.2	121.4	83.2	117.1	---	127.1	---	119.7	---	---	---	112.5	---	115.6	---
October	114.1	113.5	113.9	87.8	121.5	82.4	117.3	---	127.9	---	120.5	---	---	---	112.7	---	115.8	---
November	115.0	113.2	114.2	87.8	121.3	79.6	117.0	---	127.7	---	121.1	---	---	---	112.9	---	116.1	---
December	115.4	112.8	114.4	89.0	122.1	82.1	117.4	---	131.2	---	122.9	---	---	---	112.7	---	116.4	---
1968																		
January	116.2	112.4	114.6	91.1	122.3	81.9	117.9	---	137.7	---	127.0	---	---	---	114.1	---	117.2	---
February	116.2	113.9	114.9	87.2	122.7	86.9	118.4	---	135.1	---	125.8	---	---	---	114.3	---	117.4	---
March	116.5	116.5	116.1	95.2	121.2	87.6	118.8	---	135.0	---	125.8	---	---	---	114.9	---	118.1	---
April	117.3	117.8	116.6	93.3	121.8	92.8	119.4	---	136.3	---	126.9	---	---	---	115.6	---	118.7	---
May	118.4	119.1	117.9	93.7	122.7	88.7	120.9	---	139.1	---	128.9	---	---	---	116.3	---	119.4	---
June	118.4	115.2	117.3	93.2	123.8	94.9	121.9	---	133.2	---	125.5	---	---	---	115.9	---	119.2	---
July	117.9	113.9	116.1	90.4	124.3	96.9	121.5	---	129.9	---	123.4	---	---	---	115.5	---	119.0	---
August	118.7	112.9	116.3	93.6	124.4	101.7	121.6	---	133.6	---	125.6	---	---	---	115.8	---	119.7	---
September	117.2	112.2	115.5	94.0	125.1	102.1	121.4	---	135.4	---	127.0	---	---	---	116.3	---	120.0	---
October																		
November																		
December																		

1/ Beef, veal, lamb and mutton, pork, and processed meat. 2/ Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. 3/ Includes butter. 4/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 5/ Data not collected prior to 1953.

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